

# **Metkore Alloys & Industries Limited**

**9th  
Annual  
Report  
2014-2015**

## GENERAL INFORMATION

### Board of Directors

Sri S Gajendran	Non-Executive Independent Director
Sri M V Bhaskara Rao IPS (Retd.)	Non-Executive Independent Director
Sri Chikali Nagaraju	Whole-time Director (Operations)
Smt Saritha Boorugu	Non-Executive Director

### Statutory Auditors

M/s. Nekkanti Srinivasu & CO.,  
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 is hereby given that the **Ninth Annual General Meeting of the Members of METKORE ALLOYS & INDUSTRIES LIMITED** will be held on Wednesday, the September 30, 2015 at 10.00 AM at Hotel Sreekrishna Grand, Miyapur X Roads, 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, 2015, 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 Nekkanti Srinivasu & Company, Chartered Accountants [Firm Registration No. 209453] 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”.

**SPECIAL BUSINESS:**

3. To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2016 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, M/s Jithendra Kumar & Company, Cost Accountants for the year ending March 31, 2016 be and is hereby determined as recommended by the Audit Committee and approved by the Board of Directors”.
4. To appoint Sri Chikali Nagaraju [DIN 07053626] as Director [Operations] 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 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies [Appointment and Remuneration of Managerial Personnel] Rules, 2014 [including any statutory modification(s) or re-enactment thereof for the time being in force] subject to such sanctions as may be necessary, approval and sanction of the Company be and is hereby accorded to the appointment and payment of remuneration to Sri Chikali Nagaraju [DIN 07053626] as Whole-time Director [Operations] of the Company for a period of 5 years with effect from November 13, 2014 upon terms and conditions and payment of remuneration and other perquisites / benefits to Sri Chikali Nagaraju during the said period of 5 years as set out in the agreement, copy whereof duly initialed by the Chairman for the purpose of identification is placed before this meeting including, inter-alia, payment of provision of the following remuneration, perquisites and benefits:
  - a. Salary : Rs.81,000/- PM
  - b. Perquisites : Rs.19,000/- PM
    - i. Perquisites include House Rent Allowance, car, electricity, reimbursement of medical expenses for self and family, medical insurance etc., limited to actual or the annual salary whichever is less.
    - ii. Provision of car for use on company's business and telephone at residence will not be considered perquisites. Personal long distance calls and use of car for private purposes shall be billed by the Company.
    - iii. Company's contribution to the Provident Fund, Gratuity and encashment of leave as per the rules of the Company and the same shall not be considered perquisites as aforesaid.

“RESOLVED FURTHER THAT in the event of absence of or inadequacy of profit in any Financial Year during the tenure of the Whole time Director, the remuneration shall be governed as provided under Section II of Part II of Schedule V to the Companies Act, 2013 and any excess payment in this regard will be recovered by the Company”

“RESOLVED FURTHER THAT Sri Chikali Nagaraju is appointed as Whole time Director, liable to retire by rotation”.

“RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to do and perform or cause to be done and performed, all such acts and deeds necessary to give effect to the foregoing resolution, including inter alia, approving on behalf of the Company, any changes or modifications in the aforesaid agreement from time to time.

5. To appoint Smt Sarita Boorugu [DIN 00332209] 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, read with Schedule IV of the said Act, Smt Sarita Boorugu [DIN: 00332209] who was appointed as an Additional Director of the Company with effect from June 17, 2015 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, to hold office for a term upto five consecutive years commencing from 17.06.2015”.
6. To consider conversion of preference shares into equity shares and in this regard to consider and if thought fit to pass with or without modification (s), Allotment of equity shares on preferential basis, with or without modification (s), as a **Special Resolution**:  
“RESOLVED 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 use of redemption amount of Rs. 9,63,16,359 as on August 28, 2015 of 7,864,700 Cumulative Redeemable Preference shares of face value of Rs.11/- each held by M/s. Pentacle Infrastructure & Towers Pvt Ltd and which were redeemed on 28.08.2015 to adjust against subscription amount of Rs.9,62,55,000 to the subscription of 14,260,000 equity shares of Face Value of Rs.2/- each”.

“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 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 redemption 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”.

“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.”

7. To consider allotment of equity shares on preferential basis and in this regard to consider and if thought fit to pass with or without modification (s), Allotment of equity shares on preferential basis, with or without modification (s), as a **Special Resolution**:

“RESOLVED 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 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, Listing Agreements 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 14,260,000 Equity Shares of face value of Rs. 2/- each to non-promoter group body corporate namely,

S.No.	Name of the proposed allottee	No. of Shares
1	M/s Pentacle Infrastructure & Towers Pvt. Ltd.	14,260,000

on a preferential allotment basis and at a price of Rs. 6.75 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 (quantity) 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 August 31, 2015 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. 6.75/- each or such price as calculated as per regulation 76 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, for 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”.

“RESOLVED FURTHER THAT the Equity Shares to be allotted & issued on preferential basis to M/s. Pentacle Infrastructure & Towers Pvt. Ltd. (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.”

By Order of the Board

S. Gajendran

Chairman of the Meeting and Non Executive Independent Director

DIN: 00250136

Bengaluru  
Septemeber 4, 2015

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 3,4,5,6 and 7 is annexed hereto.
3. The Register of Members and the Share Transfer books of the Company will remain closed from September 21 to 30, 2015 [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 9<sup>th</sup> 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.
5. 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.metkorealloys.com](http://www.metkorealloys.com)
6. Brief resume of Sri Chikali Nagaraju and Smt. Sarita Boorugu, nature of expertise in specific functional areas, names of companies in which they holds directorships and memberships / chairmanships of Board Committees, shareholding, is attach to the notice, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges.

**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 the rules framed there under, 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	XXX
PASSWORD	XXX

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

User ID for members holding shares in demat form:

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

For Members holding shares in Physical form:

- c 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.

1. After entering the details appropriately, click on LOGIN
2. 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 (A – Z), 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.
3. You need to login again with the new credentials.
4. On successful login, the system will prompt you to select the EVENT i.e. Metkore Alloys & Industries Ltd
5. 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.
6. Shareholders holding multiple folios / demat account shall choose the voting process separately for each folios / demat account.
7. 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 duty authorized signatory (ies) who are authorized to vote, to the Scrutinizer through e-mail at [sudhindrakumar@gmail.com](mailto:sudhindrakumar@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 be open for voting from Sunday, September 27, 2015 [9.00 AM] to Tuesday, September 29, 2015 [5.00 PM]. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on August 28, 2015, 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 August 28, 2015.
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 67161500 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 B Sudhindra Kumar, practicing Company Secretary [Membership No.FCS 3891] has been appointed as the Scrutinizer to the e-voting process.

**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**

**Item No.3**

The Board, on recommendation of the Audit Committee has approved the appointment and remuneration of M/s. Jithendra Kumar & Company to conduct the audit of the cost records relating to Ferro Chrome for the year 2015-16. In connection with the Cost Audit for the year ended March 31, 2016, M/s. Jithendra Kumar & Company has conveyed their 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**

The Board of Directors at their meeting held on November 13, 2014 appointed Sri Chikali Nagaraju as Whole-time Director" of the Company for a period of 5 years from November 13, 2014, subject to approval by the shareholders of the Company under Schedule V of the Companies Act, 2013.

The Board has also, subject to approval of the shareholders, fixed the remuneration / perquisites / benefits payable to the aforesaid Sri Chikali Nagaraju, Whole-time Director from November 13, 2014.

The Board of Directors be and are hereby authorized to alter and vary the terms and conditions and grant increment(s) and other perquisites to respective individuals so as not to exceed the maximum limits for the payment of remuneration specified in Schedule V to the Companies Act, 2013 or any amendments thereto.

Sri Chikali Nagaraju fulfils the conditions specified in the Section 196(3) and in Part I of Schedule V to the Act for being eligible for his appointment.

The Board considers that his continued association would be of immense benefit to the Company as he was serving as Vice President [Operations] and fully in-charge of the Plant and it is desirable to continue to avail services of Sri Chikali Nagaraju as Whole time Director. Accordingly, the Board recommends the resolution in relation to the appointment and remuneration of Sri Chikali Nagaraju as Whole time Director for the approval of the shareholders of the Company.

Except Sri Chikali Nagaraju being an appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the Resolution.

**Item No.5:**

The Board of Directors of the Company, in order to strengthen the Board and to empower women and in compliance of Section 149(1) of Companies Act, 2013, has appointed Smt Sarita Boorugu as Additional Director of the Company under the provision of Section 161(1) of the Companies Act, 2013 with effect from 17.06.2015 to hold office up to conclusion of the following AGM and is eligible to be appointed as an Director for a term up to five years.

Notice in writing from member under Section 160(1) of the Companies Act 2013 has been received along with a requisite deposit proposing the candidature of Smt Sarita Boorugu as Director and if appointed, will be liable to retire by rotation.

The Company has received from Smt Sarita Boorugu (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment & Qualification of Directors) Rules, 2014 (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014 to the effect that she is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013 and (iii) a declaration as to the effect that she meets the criteria of independence provided in sub-section (6) of Section 149 of the Companies Act, 2013.

Smt Sarita Boorugu holds 30,00,000 (4.26%) equity shares of Rs.2/- each in the Company.

None of the Directors or Key Managerial Personnel or their relatives, except Smt Sarita Boorugu are interested or concerned in the resolution.

The Board commends the ordinary resolution set forth in Item No.5 for the approval of the members.

**Item No. 6 & 7:**

The item No.6 & 7 of this Notice is proposed to be passed as a Special Resolution under the provisions of Section 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 share holder of the Company and other than promoters of the Company on preferential basis who is ALSO AN existing Member.

A copy of the Certificate from M/s Nekkanti Srinivasu & Company, Chartered Accountants, Statutory Auditors of the Company, certifying that the issue of equity shares are being made in accordance with the requirements of the SEBI Regulations, Guidelines, Notifications, Section 42 & 62© of the Companies Act, 2013 etc. shall be available for inspection to the Members at the Registered Office during the normal business hours and between 2 P.M and 5 P.M from Monday to Friday and upto the date of the meeting.

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:

- 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 there 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 Pvt. Ltd. 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 August 14, 2015. As per Section 55 of the Companies Act, 2013, the Company needs to repay the redemption amount of Rs.86,511,700/- along with the accrued dividend of Rs.9,804,659/- aggregating to Rs.96,316,359/- on the said date of redemption of the preferential shares. Section 55 of the Companies Act, 2013 authorizes 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 Share Holder M/s.Pentacle Infrastructure & Towers Pvt. Ltd., decided to allot equity shares against the redemption amount of Rs.96,255,000/-, in accordance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and the listing agreement 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. The object of this issue is to cover the same object and the Company will be required to 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 allottee 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 Pvt. Ltd, the sole preference shareholder, vide their Board resolution dated August 28, 2015 expressed their desire and agreed to convert 7,864,700 the cumulative redeemable preference shares of face value of Rs.11/- each and having redeemable amount payable of Rs.9,63,16,359 as on August 28, 2015 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 Clause 24(a) of the Listing Agreement 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.

Your Board at its meeting held on September 4, 2015, 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 14,260,000 equity shares of face value of Rs.2/- to M/s. Pentacle Infrastructure & Towers Pvt. Ltd at a subscription price of Rs.6.75 per share for cash determined in accordance with the provisions of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 including any statutory modifications or amendment thereof. 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.6 to this Notice is proposed to be passed as Special Resolution under the provisions of Section 62(c) of the Companies Act, 2013 and as per Regulation 74 SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 of the in view of the fact that the shares will be offered to person other than the existing share holders on preferential basis .

**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:**

**I. The object of the issue through Preferential Offer :**

The Company issued 7,864,700 Cumulative Redeemable Preference shares of face value of Rs.11/- each to M/s. Pentacle Infrastructure & Towers Pvt. Ltd., on 30.07.2007. This 7,864,700 Cumulative Redeemable Preference shares were redeemed on August 14, 2015. Section 55 of the Companies Act, 2013 authorizes 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. The Board accordingly decided to convert the redeemable proceeds against issue of 14,260,000 equity shares of face value of Rs.2/- at a subscription price of Rs.6.75 each in accordance with SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

The Company already deployed the said amount in the business of the Company including in working capital, Bank Guarantee, Performance Guarantee and margin money requirements during the routine course of business activities of the Company. This arrangement will improve the overall Debt equity ration of the Company and enable the Company to further strengthen its strength in the market and with Financiers. The Present preferential shareholder agreed to redeem and after redemption to use the said funds fully for the purpose of subscription of 14,260,000 equity shares. The proposed equity shares to be issued on preferential basis would rank pari passu in all respects including Dividend with the existing equity shares of the Company.



As on August 28, 2015, the Company needs to pay Rs.9,63,16,359 as per the redeemable terms of the redemption of 7,864,700 Cumulative Redeemable Preference shares of face value of Rs.11/- each and which were redeemed on August 14, 2015. M/s. Pentacle Infrastructure & Towers Pvt. Ltd, the Preference Shareholders requested the Company to adjust the aforesaid redeemable amount as per Section 55 of the Companies Act, 2013 for issue of the equity shares of the Company.

## II. Pricing :

The issue price of each of equity shares of face value of Rs.2/- each will be of Rs.6.75 and is in accordance with regulation 76 of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 and for the purpose of the above guidelines the Relevant Date is 30/08/2015.

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

The Proposed subscriber were holding 7,864,700 Cumulative Redeemable Preference shares of face value of Rs.11/- each and which were redeemed on August 14, 2015. As on August 28, 2015 Rs.9,63,16,359 is payable on the said Cumulative Redeemable Preference shares. On the request of preference share holder the Board of the Company agreed to adjust redemption amount against subscription of 14,260,000 equity shares of Face value of Rs.2/- each.

## III. 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 may be held by them:

- The proposed allottee presently holds 11634 of equity shares constituting 0.01% of the existing paid up capital of the Company.
- No Warrants, GDR or any other security etc. pending for allotment.
- After the allotment of 14,260,000 shares, the holding will enhance from 11,634 equity shares 0.01% to 14,271,634 equity shares 16.85%.

Name	Number of Shares to Subscribe	Category	Status
Pentacle Infrastructure and Towers Private Limited	14,260,000	General	Private Limited Company

After the allotment of 14,271,634.000 equity shares of face value of Rs. 2/- constituting 16.86% to M/s. Pentacle Infrastructure & Towers Pvt. Ltd, the promoter holding will be diluted from 74.11% to 61.63%.

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

Sr. 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	General	11,634	0.01	12,842,000	12,853,634	15.42
	<b>Total</b>	<b>11,634</b>	<b>0.01</b>	<b>12,842,000</b>	<b>12,853,634</b>	<b>15.42</b>

## V. SHAREHOLDING PATTERN OF PROPOSED ALLOTTEES (BENEFICIARY)

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 Subscribed Company are as described hereunder:

S.No.	Name of Shareholder	Shares Held		Category
		No.	%	
1.	Sri Grandhi Butchiraju	10000	66.66	General Public
2.	Sri Seemakurti Sivasankankar	5000	33.34	

VI. SHAREHOLDING PATTERN BEFORE & AFTER THE ISSUE (AS AT 28.08.2015)

Sr. No.	Category	Pre-issue equity shareholding		Post-issue equity shareholding	
		No.	%	No.	%
A	Promoters- *				
	(a) Individuals	2,22,60,304	31.61	2,22,60,304	26.73
	(b) Body Corporates –				
	Indian - Mynah Industries Limited	29,02,070	4.12	29,02,070	3.48
	Foreign – Cronimet Mercon Invest Ltd	2,70,31,901	38.38	2,70,31,901	32.46
	(b) Other promoters, PACS				
	<b>Total (A)</b>	<b>5,21,94,275</b>	<b>74.11</b>	<b>5,21,94,275</b>	<b>62.68</b>
B.	Mutual Funds	2,660	0	2,660	0
	FI/BANKS	11,88,085	1.69	11,88,085	1.43
	Foreign Institutional Investors	0	0	0	0
	<b>Total (B)</b>	<b>11,90,745</b>	<b>1.69</b>	<b>11,90,745</b>	<b>1.43</b>
C.	Public				
	(a) Body Corporate	42,90,468	14.61	1,71,32,468	20.57
	Individuals:				
	Individual Shareholders holding nominal share capital upto 1 lakh	33,39,903	4.74	33,39,903	0.4
	Individual Shareholders holding nominal share capital in excess of Rs.1 lakh	76,74,927	10.9	76,74,927	9.22
	(b) N.R.I	13,94,052	1.98	13,94,052	1.67
	(c) Others(Preferential Allottees)	0	0		
	(d) Director's	0	0		
	(e) Key personnel's of the Company	0	0		
	(f) Overseas Corporate Body	760	0	760	0
	(g) HUF	3,09,606	0.44	3,09,606	0.37
	(I) Clearing Members	31,739	0.05	31,739	0.04
	<b>Total (C)</b>	<b>1,70,41,455</b>	<b>24.19</b>	<b>2,98,83,455</b>	<b>32.27</b>
	<b>Grand Total (A+B+C)</b>	<b>7,04,26,475</b>	<b>100</b>	<b>8,32,68,475</b>	<b>100</b>

The Promoters has pledged 1,62,60,304 equity shares to Reliance Capital 15,00,000 and 45,00,000 equity shares to Aimco Netcom India Limited and Bhuma Infrastructure Private Limited respectively to raise fiancé for the Company. The shares were transferred to the Lenders which are part of the General Public Category. However, for the purpose of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, herein above the promoter holdings includes the pledged shares.

VII. Auditor's Certificate:

A Certificate as required under SEBI Guidelines, certifying that the proposed issues is in accordance with the said Guidelines has been obtained from the Auditors of the Company and shall be placed before the Members. The members can obtain a copy of the same from the Registered Office of the Company or can inspect at any time during the business Hours of the Company from 3 p.m. to 5 p.m from Monday to Friday.

VIII. Changes in Management :

The issue of the Equity shares will not result in any change in the Management or control of the Company or the Board.

IX. Proposed time within which allotment shall be completed :

Within 15 days from the date of passing this resolution or getting in principle approve from the Stock Exchange(s) or such statutory approval as per ICDR Regulation, 2009, whichever is later.

X. Lock in:

The Equity shares to be allotted on preferential basis shall be subject to lock-in as per applicable SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009. For the present issue of shares the Lock in period is one year from the date of allotment.

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 lockedin till the time such amount is paid by the allottees.

#### XI. UNDERTAKINGS:

- a. The price of the shares wherever required shall be re-computed/adjusted in accordance with Regulation 73(f) of The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 including any statutory modifications or amendment thereof.
- b. In accordance with regulation 73(g) SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 including any statutory modifications or amendment thereof, if the amount payable on account of the re-computation of price is not paid within stipulated in these regulations, the specified securities shall continue to be lockedin till the time such amount is paid by the allottee.

The Board of Directors recommends the resolution for your approval. None of Directors or promoter are interested in this issues save and except to the extent of their shareholding and dilution thereto considering the full subscription of shares.

By Order of the Board

Bengaluru  
September 4, 2015

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

#### DETAILS OF DIRECTORS SEEKING APPOINTMENT / RE-APPOINTMENT AT THE FORTHCOMING ANNUAL GENERAL MEETING

Name of Director	Sri Chikali Nagaraju	Smt Sarita Boorugu
Date of Birth	05-02-1961	05.08.1980
Date of Appointment	13.11.2014	17.06.2015
Qualification	B Sc from Behrampur University	MBA from UK
Experience in specific functional areas Management.	Has served in Ferro alloys Industry for over 25 years in various capacities. Before elevating has Whole-time director was discharging duty has head Plant for over 4 years.	Over 12 years experience in Top Level Successful entrepreneur. Floated several companies in the field of Ports, Infrastructure, IT, Sugar, textiles etc.,
Directorship in other Public Limited Companies	NIL	NIL
Member / Chairman of Committee of the Board of Public Limited Companies on which is a Director	NIL	NIL
Shares held as on 31.03.2015 [Own or held by / for other person on beneficial basis]	NIL	30,00,000 (4.26%)

To,  
The Members,

Your Directors are pleased to present the Ninth Annual Report and the company's audited financial statement for the Financial Year ended March 31, 2015.

## FINANCIAL RESULTS

The company's financial performance for the year ended March 31, 2015 is summarized below:

Particulars	Rs. in lakhs	
	2014-15	2013-14
PROFIT BEFORE TAX	252.43	1463.14
Less: Current tax	--	-
Deferred tax	(84.02)	(48.26)
PROFIT FOR THE YEAR	336.45	1511.40
Add: Balance in Profit and Loss Account	5532.24	4200.68
Sub-total	5868.69	5712.08
LESS: Appropriation		
General Reserves	-	-
Proposed Dividend	--	69.21
Proposed Dividend on equity	--	84.51
Corporate Dividend Tax - Preference	--	11.76
Corporate Dividend Tax Equity	--	14.36
Adjustment relating to Fixed Assets	--	--
<b>Total</b>	<b>5868.69</b>	<b>5532.24</b>

## DIVIDEND

The Board of Directors of the Company have not recommended any dividend on the equity shares in view of financial health of the Company and the need for conserving and ploughing back the funds in the business for modernization /expansion activities.

## OPERATIONAL REVIEW

Gross revenues decreased to Rs.28838.61 lacs, a short fall of around 18% against Rs.34158.44 lacs in the previous year due to sluggish market conditions and effect of hudhud cyclone in the coastal area of Andhra Pradesh. Profit before depreciation and taxation was Rs.537.97 lacs against Rs.1717.65 lacs in the previous year and the profit after providing for depreciation and taxation of Rs.336.15 lacs against Rs.1511.40 lacs in the previous year.

The Company is expecting bright prospectus for the Ferro Alloys Products due to Government policies and encouragement to the infrastructure project. Moreover, the Company tied up with Harsco for recovery of Metal from the slag which is accumulated over years. Harsco installed the required equipment adjacent to company's plant and commenced its operations from December 2014 for recovery of Metal from the slag. These operations are under stabilization and once it is streamlined, the Company will derive the benefits by way of additional income to the Company.

## FIXED DEPOSITS

No fresh / renewal of deposits were accepted during the financial year 2014-15.

## DIRECTORS' RESPONSIBILITY STATEMENT Section (5) 134

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 profits 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.

## MANAGEMENT DISCUSSIONS AND ANALYSIS

### a. Industry structure and developments

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. Hence, the basic constituent of steel is Iron, in proportion of other elements in it, which gives each type of steel certain specific properties. These elements known as Ferro Alloys are added to molten iron to get the desired composition and properties. Thus Ferro Alloys are important additives in the production of steel and as such ferro alloys industry's growth and development is linked to that of the steel industry.

The year witnessed a marked slowdown in global growth. Emerging markets were characterized by a sharp fall in growth rates especially in China, Europe and Japan continued to be under pressure through the year, while US showed tepid signs of improvement.

The performance, during the year, of your Company may be analyzed from the above impact.

The sales have come down to Rs.288 crore comparing to last year Rs.341 crore. Export sales have come down to Rs.14 crore against last year Rs.35 crore.

### b. Opportunities and Threats

The key end-user of Ferro chrome is stainless steel and alloy steel industry with a share of 90% of Ferro chrome consumption. The growth of stainless steel is predominantly driven by the growth in its end user segments. The low consumption of stainless steel can be attributed to-

- Lack of awareness about its use and benefits
- Non-availability of skilled fabricators
- User developed production technology

This low per capita consumption of stainless steel in India presents immense opportunities for growth in Indian Stainless Steel market. The micro drivers for the growth of Indian stainless industry are-

- Per capita income growth
- Higher GDP growth
- Huge investment by Indian Government in infrastructure
- New stainless steel application identification

As every industry facing threats, ferro alloys industry is not barred from this. Threats like substitution of products and importing at cheaper rates.

### 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 introduced the production of Ferro Silicon, Silico Manganese. The overall production comparing last year production was dropped due to Hudhud cyclone and other factors.

### d. Outlook

The steel has recorded high growth rates in both production and consumption over 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.

### Risks and concerns

The global economic climate continues to be volatile, uncertain and prone to geo-political risks. The marked slowdown in global markets is expected to continue in 2015. 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.

e. **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.

The Company has a well established and robust internal control systems and processes in place to ensure smooth functioning of the operations.

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

The production during the year has dropped due to Hudhud cyclone and sluggish market conditions. The input costs raw material, freights and other overheads increased, whereas prices of Finished Goods not increased commensurate with the input costs. The finance cost Rs.724.66 lacs slightly increased comparing last year's Rs.694.93 lacs .

g. **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.

**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.

**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.

**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 upgradation leveraging core technology concepts and safety standards.

**Corporate Governance**

Your Company is renowned for exemplary governance standards over the years and continue to lay a strong emphasis on transparency, accountability and integrity.

Your Company has in place all the statutory committees required under the law. Details of Board committees along with their terms of reference, composition and meetings of the Board and Committees held during the year are provided in the Corporate Governance Report. The requisite certificate from the Auditors of the Company confirming compliance with the conditions of Corporate Governance is attached to this report **Annexure 'A'**.

**Corporate Social Responsibility (CSR)**

During the year, your Company has adopted new policies and amended existing policies such as Policy on related Party transaction, CSR Policy and Whistle Blower Policy in line with the new governance requirements. The Company has established a vigil mechanism for Managing Director/Whole-time Directors and employees to report their genuine concerns and details are given in the Corporate Governance Report attached to this report **Annexure 'B'**.

The Company has identified neighbouring villages in and around Ravivalasa for solutions for developing infrastructure viz., Road, drinking water supply, quality education, providing computers and addressing poverty, hunger and malnutrition.

During the year, the Company has spent Rs.78.58 lakhs [around 2.71% of the average net profits of last three financial years ] on CSR activities is annexed herewith to this report - **Annexure 'C'**.

**Risk Management**

During the year, your Directors have constituted a Risk Management Committee which has been entrusted with the responsibility to assist the Board in overseeing and approving company's enterprisewise risk management framework and risk that the organization faces. The strategic, financial, liquidity, legal, regulatory and other risks have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks.

**Secretarial Auditor**

During the year, Secretarial Audit was carried out by Sri Ramaswamy K, Company Secretary in Practice, the Secretarial Auditor of the Company for the financial year 2014-15. 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'.

## Related Party Transactions

In line with requirements of the Companies Act, 2013 and listing agreement, 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.

## Board of Directors and Key Managerial Personnel

During the year, the Board appointed Sri Chikali Nagarju as Whole-time Director and Smt Sarita Boorugu as an Additional Director with effect from 13.11.2014 and 17.06.2015 respectively. Smt Sarita Boorugu hold office up to the date of forthcoming AGM and being eligible, offered herself to be appointed as Director.

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, 161 of the Companies Act, 2013.

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

## Statutory Auditors

M/s Nekkanti Srinivasu & Company [Firm Regn No. 008801S] were appointed as Statutory Auditors by the members for three years 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.

## Cost Auditor

M/s Krishna Mohan Reddy, Cost Accountants carried out the cost audit during the year. The Board of Directors have appointed M/s. Jithendra Kumar & Company, Cost Accountants for the year 2015-16.

## 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 'F'.

## Human Resources

Your Company's human resources remained focused on reinforcing the key thrust areas viz., building strong, talent and capabilities in the Company, driving greater employee engagement and continuing focus on progressive employee relation policies to develop them as future leaders.

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.

Details of employees remuneration, as required under Section 197 of Companies Act, 2013 and Rule 5(1) Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are available at the Registered Office of the Company during working hours before 21 days of AGM and shall be made available to any shareholder on request.

## General

Your Directors state that no disclosure of reporting is required in respect of the following items as there were no transactions on these items during the year, under review:

- a. Details relating to deposits covered under Chapter V of the Act
- b. Issue of equity shares with differential rights as to dividend, voting or otherwise
- c. Issue of shares [including sweat equity shares] to employees of the Company under any scheme
- d. Neither the MD nor the whole-time Director of the Company receive any remuneration or commission from any of subsidiaries
- e. No significant or material orders were passed by the Regulators or Courts or Tribunal which impact the going concern status and Company operations in future.

### 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.

For and on behalf of the Board of Directors

Bengaluru  
August 14, 2015

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

**Annexure 'A'**

### Certificate on Corporate Governance

The members of Metkore Alloys & Industries Limited,

We have examined the compliance of conditions of Corporate Governance of Metkore Alloys & Industries Limited for the year ended March 31, 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

The compliance conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance, as stipulated in the above mentioned Listing Agreement.

We, further, state that such compliance is neither an assurance as to the future visibility of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For Nekkanti Srinivasu & Co**  
Chartered Accountants  
Firm Regn No. 0088015

**Nekkanti Srinivasu**  
Partner  
Membership No. 209453

Place : Hyderabad  
Date : 14.08.2015

### CEO / CFO CERTIFICATE UNDER CLAUSE 49 (IX)

To,  
The Board of Directors  
Metkore Alloys & Industries Limited

- We have reviewed financial statements and the cash flow statement of Metkore Alloys & Industries Limited for the year ended March 31, 2015 and to the best of our knowledge and belief:
  - these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.
- We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of Company's internal control systems pertaining to financial reporting. We have not come across any reportable deficiencies in the design or operation of such internal controls.
- We have indicated to the Auditors and the Audit Committee:
  - that there are no significant changes in internal control over financial reporting during the year;
  - that there are no significant changes in accounting policies during the year; and
  - that there are no instances of significant fraud of which we have become aware.

**N Sankarayya**  
Chief Financial Officer

Bengaluru  
August 14, 2015

**Chikali Nagaraju**  
Whole time Director [Operations]



## CORPORATE GOVERNANCE REPORT

## Company's philosophy on Corporate 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

## Board Leadership

A majority of the Board, 2 out of 4, are Independent Directors. The Board's actions and decisions are aligned with the Company's best interests.

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.

## Board Meetings, Committee Meetings and procedures

The Board has constituted six Committees, viz., Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders' Relationship Committee, Project Management Committee and Risk Management Committee. The Board is authorized to constitute additional functional Committees, from time to time, depending on business needs.

## Procedure at Committee Meetings

The Meetings of the Board and Committee are convened by the Company Secretary on the advise of the Chairman. Sufficient notice in writing is given to all Directors / Members of the board and / or other Committee meetings. All important matters concerned the working of the company alongwith requisite details are placed before the Board. Each Committee has the authority to engage outside experts, advisors and counsels to the extent it considers appropriate to assist in its function. Minutes of proceedings of Committee meetings are circulated to the Directors and placed before Board meetings for noting.

Sri Ramaswamy K, Company Secretary and Compliance Officer, is the co-ordinator for all Committees constituted under the Companies Act, 1956 / Companies Act, 2013 [upto 31.01.2015]

## Details of Board meetings

Five Board Meetings held on May 13, 29, August 13, November 13, 2014 and February 13, 2015 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 Sri / Smt	Attendance at meeting during 2014-15		No of Directorship(s) as on 31.03.2015	No of Membership(s) / Chairmanship(s) of Committee in other Companies as on 31.03.2015
	Board	AGM		
Prashant Boorugu <sup>a</sup>	1	-	1	-
S Gajendran	5	Yes	2	1
M V Bhaskara Rao	5	Yes	1	1
AVL Narasimham <sup>b</sup>	-	-	-	-
Chikali Nagaraju <sup>1</sup>	1	NA	-	-
Sarita Boorugu <sup>2</sup>	-	NA	-	-

a & b ceased w.e.f. 13.11.2014 & 05.12.2014 respectively

1 & 2 appointed w.e.f. 13.11.2014 and 17.06.2015 respectively

As mandated by Clause 49 of the Listing Agreement, all the Independent Directors are Non-Executive and:

- Apart from receiving Sitting Fee, do not have any material pecuniary relationship or transactions with the Company, its Promoters, Directors, Senior Management, which may affect independence of the Directors and are not related to promoters or persons occupying management positions at the board level or at one level below the Board.
- Have not been an executive of the Company in the immediately preceding three financial years of the Company.
- Are not material suppliers, service providers or customers or lessors or lessees of the Company, which may affect independence of the Directors.

- Are not substantial shareholders of the company i.e. do not own two percent or more of the voting shares.
- Have furnished a declaration at the time of their appointment and also annually that they satisfy the conditions of their being independent as laid down under Clause 49 of the listing agreement and all such declarations are placed before the Board.

#### Information to the Board

The Board has complete access to all information with the Company inter-alia the information, as required under Clause 49 of the listing agreement, which is provided to the board as part of the agenda.

#### Separate Meetings of Independent Directors

As required under provisions of the Companies Act, 2013 as well Listing Agreement, a separate meeting of the Independent Directors of the Company was held on 13.02.2015 to review the performance of Non-Independent Directors (including the Chairman) and the Board as whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties.

#### Programme for Directors

The Independent Directors of the Company are above Board personalities having wide range experience in the field of Finance, Industry, Administration, Legal etc., Their presence on the Board has been advantageous and fruitful in taking business decisions. Independent Directors are appointed as per the guidelines of the Company with management expertise.

#### Audit Committee

The Audit Committee comprises S/Shri S Gajendran, Chairman, M V Bhaskara Rao IPS [Retd], AVL Narasimham [upto 05.12.2014] and Chikali Nagaraju [from 13.02.2015] as Members. All the members are Non Executive Independent Directors except Sri Chikali Nagaraju and all have accounting and financial management expertise.

#### Audit Qualification

The Company is in the regime of unqualified financial statements.

#### Meeting details

4 meetings held during the year viz., May 29, August 13, November 13, 2014 and February 13, 2015. The attendance of the Committee Members is as follows:

Name of the Member S/Shri	No. of meetings	
	Held	Attended
S Gajendran	4	4
M V Bhaskara Rao IPS [Retd]	4	4
AVL Narasimham (upto 05.12.2015)	3	-
Chikali Nagaraju (from 13.02.2015)	1	1

The terms of reference, role and power of the Audit Committee as revised and stipulated by the Board of Directors from time to time are in conformity and in line with the statutory and regulatory requirement, as prescribed under Section 177 of the Companies Act, 2013, and Clause 49 of the Listing Agreement, which include the following:

1. Overseeing company's financial reporting process and the disclosures of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the board, the appointment, re-appointment and if required, the replacement of removal of the Statutory Auditors and fix audit fees.
3. Approval of payment to statutory auditors for any other services rendered by them.
4. Reviewing with the Management the annual financial statements before submission to the board for approval with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report;
  - b. Changes, if any, in accounting policies and practices and reasons for the same.
  - c. Major accounting entries involving estimates based on the exercise of judgement by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Compliance with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. Qualifications in the draft audit report

5. Reviewing with the management, the quarterly / half yearly financial statements before submission to the board for approval
6. Reviewing, with the management, the statement of uses / application of funds raised through an issued (public issue, rights issue, preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency of utilization of proceeds of a public or right issues and making appropriate recommendations to the Board to take up steps for action.
7. Reviewing, with the Management, performance of statutory and internal auditors, adequacy of the internal control system.
8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
9. Discussion with internal auditors any significant findings and follow up thereon.
10. Reviewing the findings of any internal investigations by the internal auditors into matter where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit to ascertain any area of concern.
12. To look into the reasons for substantial defaults in the payments to the depositors, debenture holders, shareholders(in case of non payment of dividends) and creditors
13. To review the functioning of the whistle blower mechanism
14. Carrying out any other function as is mentioned in the terms of audit committee.
15. Approval of appointment CFO after assessing the qualifications, experience and background etc of the candidate
16. Reviewing and monitoring the auditors independence and performance and effectiveness of audit process.
17. Approval or any subsequent modification of transactions of the Company with related parties
18. Scrutiny of inter-corporate loans and investments
19. Evaluation of internal financial controls and risk management systems
20. Formulating the scope, functioning, periodicity and methodology for conducting the internal audit.

#### General

The statutory auditors, Internal Auditors, CFO are permanent invitees to the Audit Committee Meetings. They have attended all the Audit Committee meetings held during the year. Executives of Finance Department, Corporate Secretarial Department attend Audit Committee Meetings. The cost auditors attend the Audit Committee Meeting where cost audit reports are discussed. The due date for filing the cost audit reports for the financial year ended March 31, 2015 is October 30, 2015. The internal auditor reports directly to the Audit Committee.

#### Nomination and Remuneration Committee:

The Nomination and Remuneration Committee consists of S/Shri M V Bhaskara Rao, IPS [Retd.], Chairman, S Gajendran, AVL Narasimham [upto 05.12.2014] as Members. All are Non Executive and Independent Directors.

During the year, the Committee met on 13.11.2014 and all members except Sri AVL Narasimham attended.

The Nomination and Remuneration Committee was constituted to recommend / review the remuneration package of the Managing / Whole time Directors / CFO based on performance and defined criteria. The remuneration policy of the Company is to bring about objectivity in determining the remuneration package while striking a balance between the interest of the Company and the shareholders.

Details of Remuneration paid to Managing / Whole-time Director for the year ended 31.03.2015 is given below:

Name Sri	Salary Rs.	Perquisites & Allowance	Commission Rs.	Total Rs.	Date of appointment / re-appointment	Service Contract
Prashant Boorugu	-	-	-	-	Ceased w.e.f. 13.11.2014	5 Years
Chikkali Nagaraju	299077	47923	-	3,47,000	13.11.2014	5 Years

For any termination of contract, the company or the Executive Director is required to give notice of 3 months to the other party,

Details of Sitting Fees paid to the Directors during the Financial Year is as follows :

Particulars of Remuneration	Name of Directors / Shri			Total Amount (Rs.)
	S Gajendran	M V Bhaskara Rao	AVL Narasimham	
Fee for attending board / committee meetings	50000	50000	0	100000
Total	50000	50000	0	100000

Terms of Reference of the Committee:

The roles and responsibilities of the Nomination and Remuneration Committee are as prescribed under Clause 49 of the listing agreement viz., To identify persons who are qualified to become Directors and who may be appointed in Senior management in accordance with the criteria adopted by the Company and to recommend to the Board for appointment and / or removal.

The Committee will evaluate performance of every Director, qualification, independence of a Director and recommend to the Board a policy relating to the remuneration of the Directors as well Key Managerial Personnel and other employees.

To formulate the criteria for evaluation of Independent Directors and the Board.

Median Remuneration of all the employees of the Company for the year Financial Year 2014-15 [Rs.]	215130
The percentage of increase in the median remuneration of employees in the Financial Year 2014-15	6.53
The number of Permanent employees on the rolls of the company as on March 31, 2015	220

Name of the Director	Ratio of remuneration to median remuneration of all employees	% of increase of remuneration in the Financial Year 2014-15
Sri Chikali Nagaraju	0.73	NIL

Note: Sri Chikali Nagaraju appointed as Whole-time Director with effect from 13.11.2014. Hence, there is no % increase in the remuneration during the financial year 2014-15.

Relationship between average increase in remuneration and Company performance:

The average increase in remuneration during the financial year 2014-15 is 12% compared with previous year. Net revenues of Company during the financial year is Rs.288.02 crore has fallen down compared to previous year of Rs.341.50 crores. The employees cost for the year ended March 31, 2015 was at Rs.4.73 crores against Rs.5.33 crores of the previous year. The total employee cost as a percentage of net revenues was 1.64% [previous year 1.56%]. The performance of the Company was under pressure due to volatile market conditions and challenges faced during the year..

Comparison of Remuneration to Key Managerial Personnel against the performance of the Company

Average Remuneration of KMP during 2014-15	Rs.in lakhs	20.53
Revenue		28802.15
Remuneration of KMP (as a % to Revenue)		0.17
Profit before tax		252.43
Remuneration of KMP (as a % of PBT)		8.13

#### Corporate Social Responsibility Committee (CSR)

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 Chikali Nagaraju 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 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.

The Committee met once on 13.11.2014 and all the members attended the meeting.

#### 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 Chikali Nagaraju as members. It met once on 13.02.2015

and all the members attended the meeting.

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 Clause 49 of the listing agreement, 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 Risk Management Committee (RM Committee) was constituted by the Board on October 13, 2014 adhering to the requirements of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The Committee's prime responsibility is to implement and monitor the risk management plan and policy of the Company. The Committee's constitution meets with the requirements of Clause 49 of the Listing Agreement.

#### Subsidiary Companies

The Company has no subsidiary and nothing to disclose.

#### Stakeholders Relationship Committee:

The Shareholders Relationship Committee consists of S/Shri S Gajendran, Chairman, M V Bhaskara Rao IPS [Retd], AVL Narasimham [upto 05.12.2014] and Chikali Nagaraju [from 13.02.2015] 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 29, August 13, November 13, 2014 and February 13, 2015.

Name of the Member S/Shri	No. of meetings	
	Held	Attended
S Gajendran	4	4
M V Bhaskara Rao IPS [Retd]	4	4
AVL Narasimham (upto 05.12.2015)	3	-
Chikali Nagaraju (from 13.02.2015)	1	1

#### Project Management Committee

Project Management Committee was constituted by the Board consists of S/ Shri S Gajendran, Chairman, M V Bhaskara Rao IPS [Retd.], AVL Narasimham [upto 05.12.2014] and Chikali Nagaraju (13-02-2015) as members.

The Committee has met once on May 29, 2014 and all attended the meeting except Sri AVL Narasimham.

The role and responsibilities of the Committee is to advise Management for expansion activities undertaken by the Company, cost involvement, execution of the project, viability of the project etc.,

#### Prohibition of Insider Trading

With a view to regulate trading in securities by the directors and designated employees, the Company has adopted a Code of Conduct for Prohibition of Insider Trading.

#### GENERAL BODY MEETNGS

##### Annual General Meetings

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

Year	Date & Time	Venue	Special resolution passed
2011-12	29.09.2012 11.00 AM	Hotel Sreekrishna Grand Miyapur X Road HYDERABAD 500 049	YES
2012-13	27.09.2013 11.00 AM	Hotel Sreekrishna Grand Miyapur X Road HYDERABAD 500 049	NO
2013-14	29.09.2014 11.00 AM	Hotel Sreekrishna Grand Miyapur X Road HYDERABAD 500 049	NO

#### Special Resolution(s) passed through Postal Ballot

During the year 2013-14, there was no postal ballot conducted.

## Social, Environmental and Economic Responsibilities

Metkore is committed to create value for the neighbouring villages of Ravivalasa where the Plant situated and enhance the quality of life across the entire socio-economic spectrum. Metkore believes that Corporate Social Responsibility extends beyond the ambit of business.

## DISCLOSURES

**a. Disclosure on materially significant Related Party Transactions that may have potential conflict with the interests of Company at large:**

There were no such transactions which may have potential conflicts with the interest of the Company.

**b. Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority or any matter related to capital markets during the last three years.**

During the last year, NSE had imposed fine of Rs.1000/- for non submission of the shareholding pattern within the period provided under the clause.

**c. Whistle Blower Policy and affirmation that no personnel has been denied access to the audit committee**

With a view to maintain high level of legal, ethical and moral standards and to provide a platform for the employees to voice their concern on any malpractices, impropriety, abuse of wrong doing, the Company has formulated a whistle blower policy. The employees can raise hir/her concern to the designated person and necessary action will be taken. The mechanism has been communicated to the employees. During the year, under review, the Company has not received any complaint or concern.

**d. Details of compliance with mandatory requirements and adoption of the non mandatory requirements of this clause**

The Company has complied with all the mandatory requirements on Corporate governance as specified in Clause 49 of the Listing Agreement with the Stock Exchanges.

**e. Code of Conduct**

The Company has adopted the Code of Conduct for all Board Members and Senior Management, as required under Clause 49 of the Listing Agreement. The Code is posted on the Company's website [www.metkore.com](http://www.metkore.com). The Board members and Senior Management personnel have affirmed compliance with the Code on an annual basis. A declaration to this effect signed by the Director forms part of this Report.

**f. Corporate Identity Number**

The Corporate Identity Number of the Company allotted by the Ministry of Corporate Affairs, Government of India is L27101AP2006PLC049591

**g. Compliance Certificate of the Auditors**

Certificate from the Auditors of the company M/s. Nekkanti Srinivasu & Company, Chartered Accountants confirming compliance with the conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement is annexed to this Report.

**h. Entrepreneur Risk Management**

The Company has risk management systems commensurate with the size of the Company.

**i. Secretarial Audit**

Practicing Company Secretary carried out Secretarial audit to reconcile the total admitted capital with National Securities Depository Ltd [NSDL] and Central Depository Services (India) Ltd [CDSL] and the total issued and listed capital. The Reconciliation of Secretarial Audit report confirms that the total issued and paid up share capital is in agreement with the total number of shares in physical form and the total of dematerialized shares. The audit is carried out every quarter and report thereon is submitted to the Stock Exchanges and is placed before the Stakeholders relationship Committee as well as Board of Directors

## Shareholders' communications

The Board recognizes the importance of two-way communication with shareholders and giving a balanced report of results and progress and responding to questions and issues raised in a timely and consistent manner. Metkore's corporate website ([www.metkore.com](http://www.metkore.com)) has information for institutional and retail shareholders alike. Shareholders seeking information related to their shareholding may contact the Company or through the Company's Registrars and Transfer Agents. Metkore ensures that complaints and suggestions of its shareholders are responded to in a timely manner.

## Corporate Filing and Dissemination System (CFDS):

The CFDS portal jointly owned, managed and maintained by BSE and NSE is a single source to view information filed by listed companies. All disclosures and communications to BSE and NSE are filed electronically through the CFDS portal. In particular, the Company informs BSE and NSE all price sensitive matters or such other matters which in its opinion are material and of relevance to the members.

NSE Electronic Application Processing System (NEAPS): The NEAPS is a web-based application designed by NSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically

on NEAPS.

BSE Corporate Compliance & Listing Centre (the 'Listing Centre'): BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are also filed electronically on the Listing Centre.

SEBI Complaints Redress System (SCORES): The investor complaints are processed in a centralized web-based complaints redress system. The salient features of this system are: Centralized database of all complaints, online upload of Action Taken Reports (ATRs) by concerned companies and online viewing by investors of actions taken on the complaint and its current status.

#### GENERAL SHAREHOLDERS INFORMATION

**a. Annual General Meeting**

Date :: 30.09.2015  
Time :: 10.00 AM  
Venue :: Hotel Sreekrishna Grand  
Miyapur X Road,  
HYDERABAD-500 049

**b. Financial Calender**

Unaudited / audited quarterly / half yearly / yearly financial results

- For the quarter ending 30.06.2015 : 14.08.2015
- For the quarter ended 30.09.2015 : 2nd week of November, 2015
- For the quarter ended 31.12.2015 : 2nd week of February, 2016
- For the quarter ended 31.03.2016 : 4th week of May, 2016

**c. Date of Book Closure**

21.09.2015 to 30.09.2015 [both days inclusive]

**d. Dividend Payment date**

Not applicable as no dividend has been recommended by the Board of Directors for the year, under review.

**e. Listing on Stock Exchanges**

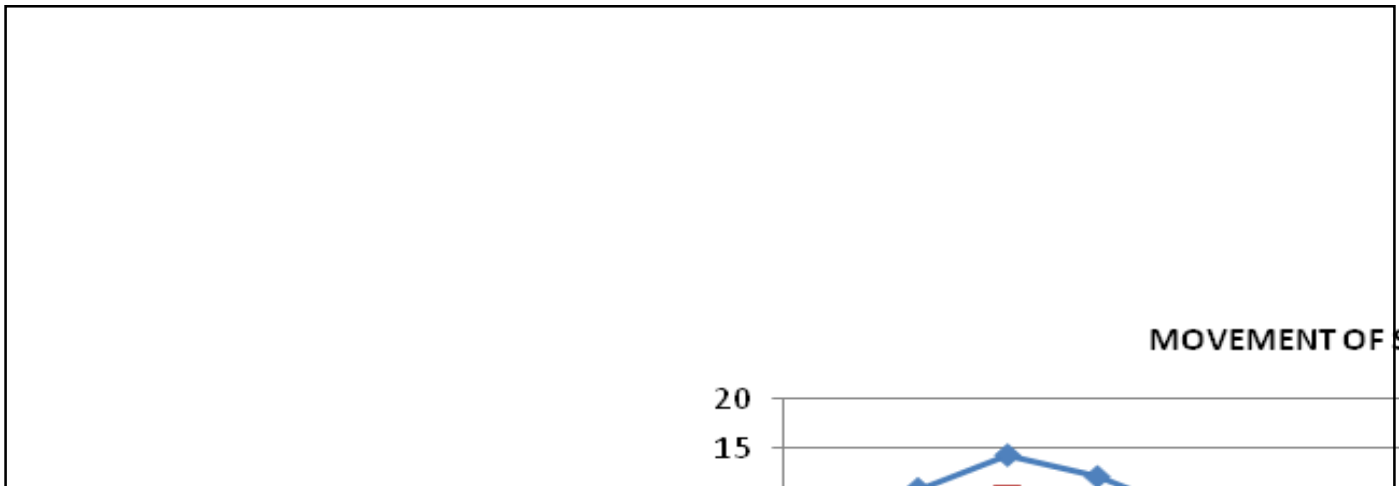
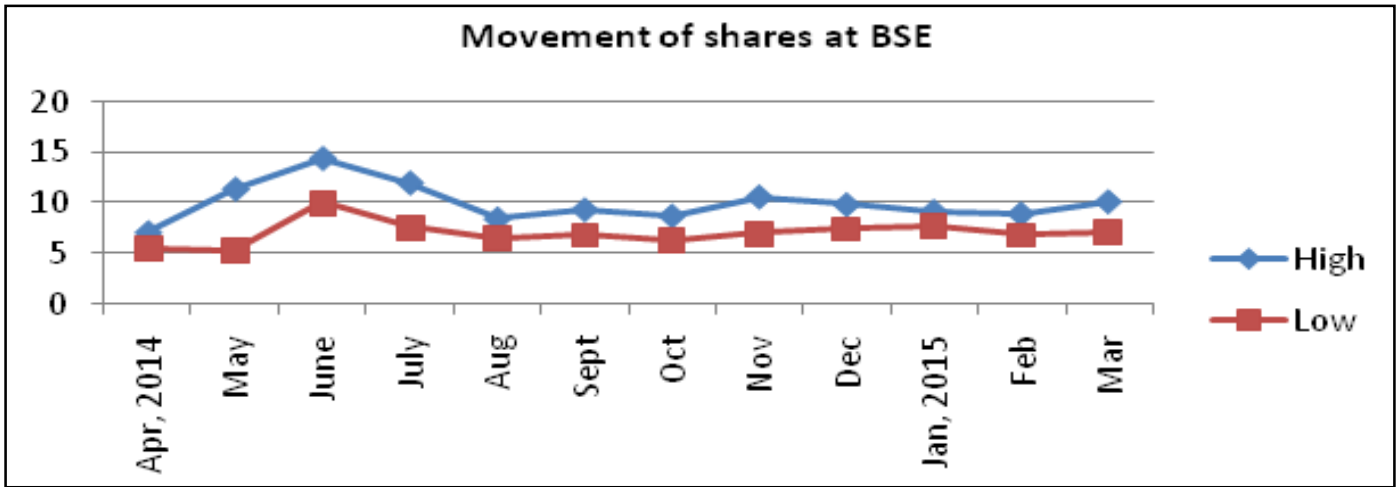
Name of the Exchange	Scrip Code
The Bombay Stock Exchange Limited	532990
National Stock Exchange of India Limited	METKORE

**f. Market Price Date**

Bombay Stock Exchange		
Month	High Price	Low Price
Apr 14	7.14	5.53
May	11.45	5.35
Jun	14.49	10.07
Jul	12.07	7.64
Aug	8.50	6.56
Sep	9.40	6.91
Oct	8.79	6.40
Nov	10.68	7.07
Dec	9.90	7.52
Jan 15	9.24	7.75
Feb	8.99	6.89
Mar	10.20	7.20

National Stock Exchange		
Month	High Price	Low Price
Apr 14	7.30	5.40
May	11.00	5.90
Jun	14.35	10.25
Jul	12.20	7.60
Aug	8.55	6.40
Sep	9.15	6.80
Oct	8.35	6.25
Nov	11.00	7.10
Dec	9.50	7.15
Jan 15	9.00	7.50
Feb	8.90	6.90
Mar	10.00	7.45

g. Share Price Movement



h. Registrar and Transfer Agents  
 Karvy Computershare Private Limited  
 Unit: Metkore Alloys & Industries Limited  
 Karvy Selenium Tower 'B'  
 Plot No. 31 & 32, Gachibowli Financial District,  
 Nanakram Guda, Hyderabad - 500 032.  
 Phone: (040) 67161500  
 Fax : (040) 23001153  
 Email id: einward.ris@karvy.com

i. Share Transfer System

96.72% 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 Board of Directors of the Company has delegated the powers of approving transfers, transmission, issue of duplicate share certificates etc., to the Share Allotment and Transfer Committee. The minutes of the Committee meetings are placed before the Board. 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 Clause 47 © of the Listing Agreement.



j. Distribution of shareholding of equity shares as at March 31, 2015

Sl. No.	Category (Shares)	Number of			% to Equity
		Shareholders	% to holders	Shares	
1	1-5000	15193	97.04	4980567	7.07
2	5001-10000	241	1.54	906422	1.29
3	10001-20000	93	0.60	665715	0.94
4	20001-30000	42	0.27	515648	0.73
5	30001-40000	17	0.10	292728	0.42
6	40001-50000	7	0.04	157610	0.22
7	50001-100000	25	0.16	870133	1.24
8	100001 and above	39	0.25	62037652	88.09
	<b>TOTAL</b>	<b>15657</b>	<b>100.00</b>	<b>70426475</b>	<b>100.00</b>

k. Category of Shareholders as at March 31, 2015

Sl. No.	Category	Number of		% to Total Shares
		Shareholders	Shares	
1	Promoters -			
	i. Bodies Corporate	2	46194275	65.59
	ii. Individuals	2	6000000	8.52
2	Financial Institutions / Banks	3	1188085	1.69
3	Clearing Members	10	17898	0.03
4	HUF	163	227005	0.32
5	Bodies Corporate	216	2815525	4.00
6	Non Resident Indians	126	1230293	1.75
7	Overseas Bodies Corporate	1	760	0.00
8	Individuals	15131	12749974	18.10
9	FIS	0	0	0.00
10	Mutual Funds/UTI	3	2660	0.00
	<b>TOTAL</b>	<b>15657</b>	<b>70426475</b>	<b>100.00</b>

l. Mode of equity shares held

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, 2015 is as under

Sl. No.	Description	Number of		% Equity
		Shareholders	Shares	
1	PHYSICAL	7152	2308480	3.28
2	NSDL	6065	62165615	88.27
3	CDSL	2440	5952380	8.45
	<b>TOTAL</b>	<b>15657</b>	<b>70426475</b>	<b>100.00</b>

m. Outstanding GDRs or ADRs or Warrants of Convertible Instruments

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

n. Plant Location

Ravivalasa Village 532 212, Tekkali Mandal, Srikakulam District, Andhra Pradesh

o. Address for Correspondence

Karvy Computershare Private Limited  
Unit: Metkore Alloys & Industries Limited  
Karvy Selenium Tower 'B' Plot No. 31 & 32,  
Gachibowli Financial District,  
Nanakram Guda, Hyderabad - 500 032.  
Phone: (040) 67161500  
Fax : (040) 23001153  
Email id : einward.ris@karvy.com

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: secretaria@metkore.com

**Corporate Social Responsibility (CSR)**

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

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.
2. The Composition of the CSR Committee.
3. Average net profit of the company for last three financial years
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)
5. Details of CSR spent during the financial year.
  - (a) Total amount to be spent for the financial year;
  - (b) Amount unspent, if any;
  - (c) Manner in which the amount spent during the financial year is detailed below.

\* Give Details of implementing agency.

1	2	3	4	5	6	7	8
S. 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 proejects or programs sub-heads: (1) Direct expenditure on Projects or programs (2) Overheads	Cummlative expenditure up to the reportting period	Amount spent : Direct of through implemen-ting agency*
1	Poor Person Feeding	Food & Water	Ravivalasa Village, Tekkali Mandal, Srikakulam Dt. A.P.	10.00	9.04	9.04	
2	Roads	Roads	Dharmaleelapuram, Tekkali Mandal, Srikakulam Dt. A.P.	65.00	64.60	64.60	
3	Cyclone	Food, Water and Shelter	Arrangement of Food, Water Cloths shelter at surrounding villages	5.00	4.94	4.94	
	TOTAL			80.00	78.58	78.58	

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 or Director)	Sd/- (Chairman CSR Committee)	Sd/- [Person specified under clause (d) of sub-section (1) of section 380 of the Act] (wherever applicable)
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**SECRETARIAL AUDIT REPORT**

**FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015**

[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 us a reasonable basis for evaluating the corporate conduct / statutory compliances and expressing our opinion thereon.

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 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 March 31, 2015 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 March 31, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Director Investment, overseas Direct Investment and External Commercial Borrowings;
- (v) 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 (Issue of capital and Disclosure Requirements) Regulations, 2009 Not applicable as the Company did not issue any securities during the financial

**Form No. MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED MARCH 31,2015**  
[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.

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 31,2015 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, 2015 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:

1. Secretarial Standards issued by The Institute of Company Secretaries of India.
2. 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 are being made up to date.

ESI facility is not covered.

Mynah Industries Limited is a related party with whom transactions regarding sales and purchases take place.

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 : 05/08/2015

Signature:

KALYAN RAMASWAMY  
ACS No. 10995  
C P No.: 14404

Annexure ' E'

**Form No. MGT-9  
EXTRACT OF ANNUAL RETURN  
as on the financial year ended on 31st March, 2015  
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]

I REGISTRATION AND OTHER DETAILS					
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-32.			
II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY					
All the business activities contributing 10 % or more of the total turnover of the company shall be stated					
Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company		
1.	High Carbon Ferro Alloys	3320	31.25%		
2.	Cold rolled sheets	2420	51.49 %		
III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES - NA					
S. No.	Nam and Address of the Company	CIN/GLN Associate	Holding/ Subsidiary/ held	% of shares	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				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
(a) Individual/HUF	6000000	0	6000000	8.52	6000000	0	6000000	8.52	0
(b) Central Govt	0	0	0	0	0	0	0	0	0
(c) State Govt (s)	0	0	0	0	0	0	0	0	0
(d) Bodies Corp.	2902070	0	2902070	4.12	2902070	0	2902070	4.10	0
(e) Banks / FI	0	0	0		0	0			
(f) Any Other....	0	0	0		0	0			
<b>Sub-total(A) (1):-</b>	<b>8902070</b>	<b>0</b>	<b>0</b>	<b>12.64</b>	<b>8902070</b>	<b>0</b>	<b>8902070</b>	<b>12.64</b>	<b>0</b>
<b>(2) Foreign</b>									
(a) NRIs - Individuals	0	0	0		0	0	0		
(b) Other Individuals	0	0	0		0	0	0		
(c) Bodies Corp.	43292205	0	43292205		43292205	0	43292205	61.47	0
(d) Banks / FI	0	0	0		0	0			
(e) Any Other....	0	0	0	61.47	0	0			
<b>Sub-total(A) (2):-</b>	<b>43292205</b>	<b>0</b>	<b>43292205</b>		<b>43292205</b>	<b>0</b>	<b>43292205</b>	<b>61.47</b>	<b>0</b>
<b>Total Shareholding of Promoter (A) = (A)(1) + (A)(2)</b>	<b>52194275</b>	<b>0</b>	<b>52194275</b>	<b>24.11</b>	<b>52194275</b>	<b>52194275</b>	<b>52194275</b>	<b>74.11</b>	<b>0</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
(a) Mutual Funds	0	2660	2660	0	0	2660	2660	0	0
(b) Banks / FI	1187515	570	1188085	1.69	1187515	570	1188085	1.69	
(c) Central Govt	0	0	0		0	0			
(d) State Govt(s)	0	0	0		0	0			
(e) Venture Capital Funds	0	0	0		0	0			
(f) Insurance Companies	0	0	0		0	0			
(g) FIs	0	0	0		0	0			
(h) Foreign Venture Capital Funds	0	0	0		0	0			
(i) Others (specify)	0	0	0		0	0			
<b>Sub-total (B)(1):-</b>	<b>1187515</b>	<b>3230</b>	<b>1190745</b>	<b>1.69</b>	<b>1187515</b>	<b>3230</b>	<b>1190745</b>	<b>1.69</b>	<b>0</b>
<b>2. Non-Institutions</b>									
(a) Bodies Corp.	3106067	39025	3145092	4.47	2776500	39025	2815525	4	0.47
(i) Indian	0	0	0		0	0	0	0	0
(ii) Overseas	0	0	0		0	0	0	0	0
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	5389983	2152320	7542303	10.71	5242537	2127905	7373142	10.47	0.24
(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	4924259	0	4924259	6.99	5376832	0	5376832	7.63	-0.64
(c) Others (specify)	3454	0	3454	0	17898	0	17898	0.03	-0.02
(i) Clearing Members	222394	0	222394	0.32	227005	0	227005	0.32	-0.01
(ii) HUF	1065633	137560	1203193	1.71	1092733	137560	1230293	1.75	-0.04
(iii) NRI	0	760	760	0	0	760	760	0	0
(iv) Overseas Corporate bodies	14711790	2329665	17041455	24.2	14736205	2305250	17041455	24.2	0
<b>Sub-total (B)(2):-</b>	<b>15899305</b>	<b>2332895</b>	<b>18232200</b>	<b>25.89</b>	<b>15923720</b>	<b>2308480</b>	<b>18232200</b>	<b>25.89</b>	<b>0</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>									
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>68093580</b>	<b>2332895</b>	<b>70426475</b>	<b>100</b>	<b>68117995</b>	<b>2308480</b>	<b>70426475</b>	<b>100</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>									

## (i) Category-wise Share Holding

## (ii) Shareholding of Promoters

S. 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	43292205	61.47	0	43292205	61.47	0	0
2	Sarita Boorugu	3000000	4.26	0	3000000	4.26	0	0
3	Prashant Boorugu	3000000	4.26	0	3000000	4.26	0	0
4	Mynah Industries Limited	2902070	4.12	0	2902070	4.12	0	0
	<b>TOTAL</b>	<b>52194275</b>	<b>74.11</b>	<b>0</b>	<b>52194275</b>	<b>74.11</b>	<b>0</b>	<b>0</b>

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

S. 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	52194275	74.11	52194275	74.11
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):	0	0	0	0
	<b>At the end of the year</b>	<b>52194275</b>	<b>74.11</b>	<b>52194275</b>	<b>74.11</b>

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

S. 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	Rammohan Rao	2888741	4.1	2900154	4.12
2	Ashish Nanda	966855	1.37	966855	1.37
3	Rose Gems Private Ltd	867800	1.23	867800	1.23
4	United India Insurance Company Limited	807515	1.15	807515	1.15
5	Shyamala Ramchandran	632500	0.9	632500	0.90
6	Manasa Strategic Consultants Private Ltd	388330	0.55	438730	0.62
7	General Insurance Corporation of India	380000	0.54	380000	0.54
8	Pentacle Infrastructures and Towers (Pvt) Ltd	377829	0.54	70901	0.10
9	Parrys Sugar Industries Ltd	250000	0.35	250000	0.35
10	R Narayani	220000	0.31	220000	0.31
	<b>TOTAL</b>	<b>7779570</b>	<b>11.05</b>	<b>7534455</b>	<b>10.70</b>

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

S. No.		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	0	0	0	0
ii) Interest due but not paid	293,556,890	0	0	293,556,890
iii) Interest accrued but not due	0	0	0	0
<b>Total (i + ii + iii)</b>	293,556,890	0	0	293,556,890
<b>Change in Indebtedness during the financial year</b>				
• Addition	0	0	0	0
• Reduction	165,043,559	0	0	165,043,559
<b>Net Change</b>	165,043,559	0	0	165,043,559
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	458,600,449	0	0	458,600,449
ii) Interest due but not paid				
iii) Interest accrued but not due				
<b>Total (i + ii + iii)</b>	458,600,449	0	0	458,600,449

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
		Ch. Nagaraju	-	-	-	
1	Gross salary	2,99,077				2,99,077
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	47,923				47,923
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961					
	(c) Profits in lieu of salary under					
	Stock Option					
	Sweat Equity					
	Commission - as % of profit - others, specify...					
	Others, please specify					
	Total (A)					
	Ceiling as per the Act	3,47,000				3,47,000

**B. REMUNERATION TO OTHER DIRECTORS:**

in Rs.

S. No.	Particulars of Remuneration	Name of Directors / Shri			Total Amount (Rs.)
		S Gajendran	M V Bhaskara Rao	AVL Narasimham	
1	Independent Directors • Fee for attending board / committee meetings • Commission • Others, please specify	50000 0 0	50000 0 0	0 0 0	100000 0 0
	Total (1)	50000	50000	0	100000
2	Other Non-Executive Directors • Fee for attending board / committee meetings • Commission • Others, please specify	0 0 0	0 0 0	0 0 0	0 0 0
	Total (2)	0	0	0	0
	Total (B)=(1+2)	50000	50000	0	100000
	Total Managerial Remuneration				
	Overall Ceiling as per the Act				

**C. PENALTIES FOR PUNISHMENT / COMPOUNDING OFFENCES :**

In. Rs.

S. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CEO	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	0 0	1,00,000 3,33,600	7,22,400 3,33,600	8,22,400
2	Stock Option				
3	Sweat Equity				
4	Commission - as % of profit - others, specify...				
5	Others, please specify				
	Total	0	1,00,000	10,56,000	11,56,000

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

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					



**A CONSERVATION OF ENERGY**

(a) Energy Conservation measures taken :

- Installation of HT&LT capacitor bank in the plant
- Replacement of old motors with energy efficient motors
- Low voltage transmission capacitors for power factor improvement
- Daily maintenance of capacitor bank for improvement in power factor

(b) Future proposals for energy conservation:

To further install energy efficient like fittings, energy efficient motors with latest technology. The Company also proposes to install solar power equipments for lighting systems and solar pump sets to further conserve emitting thermal power.

(c) Impact of measures at (a) & (b) for reduction of energy consumption:

Saving in energy and efficient utilization of resources.

**B TECHNOLOGY ABSORPTION**

Technology absorption, adaptation & Innovation:

The Company has adopted and is continuously updating the latest technology resulting quality of products in safe and environment friendly process.

**C GLOBAL BUSINESS STRATEGIES, IF ANY:**

In order to reduce the impact of market fluctuation of the products, the company constantly changes the volumes between domestic and international markets.

**FOREIGN EXCHANGING EARNING & OUTGO**

Due to volatile market conditions witnessed during the financial year 2014-15, the Company was unable to export the goods to the possible extent. Hence, the foreign exchange inflow is marginal i.e. Foreign Exchange earning are Rs.364.38 lacs (Previous year: Rs.4647.26 lacs) and there is no Foreign Exchange outgo during the year (Previous year: Rs.431.15 lacs).

## INDEPENDENT AUDITORS' REPORT

TO,  
The Members of  
METKORE ALLOYS & INDUSTRIES LIMITED

### REPORT ON THE STANDALONE 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, 2015, the Profit and Loss Statement, 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.

### AUDITORS' 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 misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone 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, 2015, and its profit and its cash flows for the year ended on that date.

### REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS :

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 purposes 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 Profit and Loss Statement, 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 the written representations received from the directors as on March 31, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164 (2) of the Act.
- f) 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 does not have any pending litigations which would impact its financial position.
  - ii. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
  - iii. There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.

For Nekkanti Srinivasu & Co  
Chartered Accountants  
Firm Regn. No.008801S

CA N Srinivasu  
PARTNER,

Place : Hyderabad  
Date : 25th May, 2015

**Reports under The Companies (Auditor's Report) Order, 2015 (CARO 2015)**

CARO 2015 Report on the standalone financial statement of METKORE ALLOYS & INDUSTRIES LIMITED for the year ended March 31, 2015.  
**To the Members of METKORE ALLOYS & INDUSTRIES LIMITED**

We refer to our report on the standalone financial statements of METKORE ALLOYS & INDUSTRIES LIMITED (the Company) for the year ended March 31, 2015 issued on May 25, 2015. The Gazette version of the Companies (Auditor's Report) Order, 2015 (CARO 2015) was not available in the Official Gazette of India on the date of our report. Accordingly, our report does not contain an Annexure on the matters specified in paragraphs 3 and 4 of CARO 2015.

Subsequent to the issuance of our report dated May 25, 2015, CARO 2015 has been published in the Official Gazette of India. While it is not obligatory on our part to issue our report on the matters specified in paragraphs 3 and 4 of CARO 2015, based on the discussions with the Company, as a measure of good governance, we give hereinafter a statement on the matters specified in paragraphs 3 and 4 of CARO 2015. This may be treated as an Annexure to our aforesaid Report on standalone financial statements for the year ended March 31, 2015.

- i. In respect of its fixed assets:
  - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
  - b) As explained to us, all the fixed assets have been physically verified by the management in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
- ii. In respect of its inventories:
  - a) The inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
  - b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c) The Company has maintained proper records of inventories. As per the information and explanation given to us, no material discrepancies were noticed on physical verification.
- iii. The company has not granted any loans, secured or unsecured, companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- iv. In our opinion and according to the information and explanations given to us, the Company has an adequate internal control system commensurate with its size and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in such internal control system.
- v. According to the information and explanations given to us, the Company has not accepted any deposit from the public. Therefore, the provisions of Clause (v) of paragraph 3 of the CARO 2015 are not applicable to the Company.
- vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under Section 148(1)(d) of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed accounts and cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. In respect of statutory dues:
  - a) According to the records of the Company, undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at March 31, 2015 for a period of more than six months from the date of becoming payable.
  - b) Details of dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, duty of Customs, Duty of Excise, Value Added Tax, Cess which have not been deposited as on March 31, 2015 on account of disputes are given below:

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	3.51	S.T.A.T for the year 1998-99
02.	Sales Tax	6.25	High court for the year 1996-97
	<b>TOTAL</b>	<b>9.76</b>	

- c) According to the records of the Company, there are no amounts that are due to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under.
- viii. The Company does not have accumulated losses at the end of the financial year. The Company has not incurred cash losses during the financial year covered by the audit and in the immediately preceding financial year.
- ix. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks and debenture holders.
- x. The Company has not given any guarantees for loans taken by others from banks and financial institutions.
- xi. The Company has not raised any loans during the year. The loans outstanding at the beginning of the year and those raised during the year have been applied for the purposes for which they were raised.
- xii. In our opinion and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For Nekkanti Srinivasu & Co  
 Chartered Accountants  
 Firm Regn. No.008801S  
 CA N Srinivasu  
 PARTNER,

Place : Hyderabad  
 Date : 25th May, 2015

**BALANCE SHEET AS AT 31 ST MARCH 2015**

(in `)

Sl. No.	Particulars	Note No.	As at March 31, 2015	As at March 31, 2014
I.	<b>Equity and Liabilities</b>			
	<b>1. Shareholders' Funds</b>			
	a) Share Capital	2	227,364,650	227,364,650
	b) Reserves & Surplus	3	998,107,593	964,462,883
			<b>1,225,472,243</b>	<b>1,191,827,533</b>
	<b>2. Non-Current Liabilities</b>			
	(a) Long Term Borrowings	4	2,068,027	3,740,750
	(b) Deferred Tax Liability (Net)		27,185,028	35,586,684
			<b>29,253,055</b>	<b>39,327,434</b>
	<b>3. Current Liabilities</b>			
	(a) Short Term Borrowings	5	456,532,422	289,816,140
	(b) Trade Payables	6	124,477,190	139,506,867
	(c) Other Current Liabilities	7	47,962,728	71,804,206
	(d) Short Term Provisions	8	78,885,541	94,027,925
			<b>707,857,882</b>	<b>595,155,138</b>
	<b>TOTAL</b>		<b>1,962,583,180</b>	<b>1,826,310,105</b>
II.	<b>Assets</b>			
	<b>1. Non-Current Assets</b>			
	(a) Fixed Assets			
	(i) Tangible Assets	9	166,125,712	190,306,101
	(ii) Intangible Assets		-	-
	(iii) Capital Work in Progress		118,226,118	126,093,424
	(b) Non Current Investments	10	211,000	211,000
	(c) Long Term Loans & Advances	11	277,427,426	277,427,426
			<b>561,990,316</b>	<b>594,037,951</b>
	<b>2. Current Assets</b>			
	(a) Current Investments		-	-
	(b) Inventories	12	725,831,679	656,904,774
	(c) Trade Receivables	13	475,143,599	353,165,605
	(d) Cash and Cash Equivalents	14	2,419,603	23,801,296
	(e) Short Term Loans & Advances	15	187,032,782	182,284,586
	(f) Other Current Assets	16	10,165,201	16,115,893
			<b>1,400,592,864</b>	<b>1,232,272,154</b>
	<b>TOTAL</b>		<b>1,962,583,180</b>	<b>1,826,310,105</b>

As per our report of even date attached

**For Nekkanti Srinivasu & Co**

Chartered Accountants

Firm Regn. No.008801S

For and on behalf of the Board

**CA N Srinivasu**

PARTNER

M.No. 209453

**Ch. Nagaraju**

Whole Time Director (Operations)

DIN : 07053626

**S Gajendran**

Non-Executive Independent Director

DIN : 00250136

Place : Bengaluru

Date : 25th May, 2015

**N. Sankarayya**

Chief Financial Officer

**STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED MARCH 31, 2015**

(in Rs.)

Sl. No.	Particulars	Note No.	Year ended 31.03.2015	Year ended 31.03.2014
I.	Revenue from Operations	17	2,880,215,861	3,415,084,905
II.	Other Income	18	3,644,813	759,224
III.	<b>Total Revenue (I+II)</b>		<b>2,883,860,674</b>	<b>3,415,844,129</b>
IV.	<b>Expenses</b>			
	Cost of Materials Consumed	19	309,122,213	631,862,956
	Purchases of Traded Goods	20	2,311,024,432	2,362,859,581
	(Increase)/Decrease in Inventories	21	(130,913,035)	(357,966,069)
	Employee benefit expenses	22	47,328,599	53,282,471
	Finance costs	23	72,466,604	69,493,499
	Depreciation and amortisation expenses	9	28,554,500	25,450,572
	Other expenses	24	221,034,307	484,546,642
	<b>Total Expenses</b>		<b>2,858,617,620</b>	<b>3,269,529,652</b>
V.	<b>Profit / (Loss) before exceptional and extraordinary items and tax (III-IV)</b>		25,243,053	146,314,477
VI.	Exceptional items : Prior Period Income		-	-
VII.	<b>Profit / (Loss) before extraordinary items and tax (V-VI)</b>		25,243,053	146,314,477
VIII.	Extraordinary items		-	-
IX.	<b>Profit / (Loss) before tax</b>		25,243,053	146,314,477
X.	<b>Tax Expenses</b>			
	Current Income Tax			
	Deferred income Tax		(8,401,656)	(4,826,011)
	<b>Total</b>		<b>(8,401,656)</b>	<b>(4,826,011)</b>
XI.	<b>Profit for the year from continuing operations (IX-X)</b>		<b>33,644,710</b>	<b>151,140,488</b>
XII.	<b>Earning Per Equity Share</b>			
	(1) Basic		0.48	2.03
	(2) Diluted		0.48	2.03

As per our report of even date attached  
**For Nekkanti Srinivasu & Co**  
 Chartered Accountants  
 Firm Regn. No.008801S

For and on behalf of the Board

CA N Srinivasu  
 PARTNER  
 M.No. 209453

Ch. Nagaraju  
 Whole Time Director (Operations)  
 DIN : 07053626

S Gajendran  
 Non-Executive Independent Director  
 DIN : 00250136

Place : Bengaluru  
 Date : 25th May, 2015

**N. Sankarayya**  
 Chief Financial Officer

**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015**

(Rs. in Lakhs)

	Year Ended 31.03.2015	Year Ended 31.03.2014
<b>A. Net Profit Before Tax and Extra Ordinary Items</b>	252.43	1,463.14
Adjustments for:		
Depreciation	285.55	254.51
Interest and Financial charges	724.67	694.93
<b>OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES</b>	<b>1,262.64</b>	<b>2,412.58</b>
Adjustments for :		
(Increase)/Decrease in Trade Receivables	(1,219.78)	262.71
(Increase)/Decrease in Loans & Advances	12.02	1,945.21
(Increase)/Decrease in Inventories	(689.27)	(4,294.72)
Increase/(Decrease) in Trade and other Payables	(540.14)	852.26
<b>Cash generated from operations</b>	<b>(1,174.52)</b>	<b>1,178.04</b>
Direct Taxes paid		
<b>Net Cash from Operation Activities</b>	<b>(1,174.52)</b>	<b>1,178.04</b>
<b>B. Cash flow from investing activities</b>		
Purchase of Fixed assets including Capital Work in Progress/Long term advances	34.93	(245.18)
(Purchase)/Sale of Investments	-	(0.50)
	<b>34.93</b>	<b>(245.68)</b>
<b>C. Cash flow from financing activities</b>		
Increase/(Decrease) in Short Term Borrowings	1,667.16	(98.17)
Increase/(Decrease) in Long Term Borrowings	(16.73)	19.02
Proceeds from share warrants		
Interest Paid	(724.67)	(694.93)
Dividend and Tax thereon	-	(179.85)
	<b>925.77</b>	<b>(953.93)</b>
<b>D. Net increase in cash &amp; cash equivalents (A+B+C)</b>	<b>(213.82)</b>	<b>(21.57)</b>
Cash & Cash equivalents (Opening Balance)	238.02	259.59
Cash & Cash equivalents (Closing Balance)	24.20	238.02

As per our report of even date attached

**For Nekkanti Srinivasu & Co**

Chartered Accountants

Firm Regn. No.008801S

For and on behalf of the Board

**CA N Srinivasu**

PARTNER

M.No. 209453

**Ch. Nagaraju**

Whole Time Director (Operations)

DIN : 07053626

**S Gajendran**

Non-Executive Independent Director

DIN : 00250136

Place : Bengaluru

Date : 25th May, 2015

**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: Presentation and disclosure of financial statements:

During the year ended 31st March, 2015, the relevant provisions of the Companies Act 2013, has become applicable to the company, for preparation and presentation of its 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 these 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 of 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 Profit and Loss Account 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 discloses 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.



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**II. NOTES TO ACCOUNTS**

	For the Year Ended 31.03.2015		For the Year Ended 31.03.2014	
	Percentage	Amount ` In Lakhs	Percentage	Amount ` In Lakhs
<b>1 Value of Raw Material Consumed</b>				
i) Indigenous	88.68	2,741.37	93.18	5,887.48
ii) Imported	11.32	349.85	6.82	431.15
	<b>100.00</b>	<b>3,091.22</b>	<b>100.00</b>	<b>6,318.63</b>
<b>2 Stores &amp; Spares Consumed</b>				
i) Indigenous	100.00	93.29	100.00	334.50
ii) Imported	-	-	-	-
	<b>100.00</b>	<b>93.29</b>	<b>100.00</b>	<b>334.50</b>
<b>3 Foreign exchange Earnings / Out Go</b>				
a) FOB Value of Exports		364.38		4,647.26
b) CIF Value of Imports(material)		-		431.15
c) Expenditure in Foreign Currency on account of Foreign Travel		-		9.23
d) Distribution of Dividend on Equity Shares		-		51.95
e) Investment in shares		-		237.66
<b>4. CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR)</b>			<b>2014-15</b>	<b>2013-14</b>
a) Bank Guarantees			8.07	13.60
b) Claims made by Govt Departments against the company not acknowledged as debts			45.73	45.73
5 Interest is shown net of interest received.				
6 The Details of Related Party transactions in terms of Accounting Standard ( AS 18 ) are as follows				
	<b>Related Party Disclosure</b>	<b>Name of the Person</b>	<b>Nature of Transaction</b>	<b>Amt. Rs. Lakhs</b>
	a) Key Management Personal	Ch. Nagaraju	Managerial Remuneration	3.47
	b) Relatives of Individuals having significant influence -NIL			
	c) Mynah Industries Limited	Holding company	Sales	155.65
<b>7 Segment Report</b>				
The Company operates in only one segment of manufacturing / trading of metal alloys.				

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**8. Employees Benefits**

The Following table sets forth the status of gratuity plan of the Company and the amount recognized in the balance sheet and profit and loss account

(` in Lakhs)

Change in Projected benefit obligation	2014-15	2013-14
Obligations at period beginning	137.10	127.34
Service Cost	9.14	14.97
Interest cost	10.38	11.31
Benefits settled	(8.67)	(7.90)
Actuarial (gain)/loss	(8.41)	(8.62)
Obligations at period end	139.54	137.10
<b>Change in plan assets</b>		
Plans assets at fair value	116.04	105.11
Expected return on plan assets (estimated)	8.24	8.47
Actuarial gain/(loss)	2.19	0.99
Contributions (less risk prem. etc.)	-	9.37
Benefits settled	(8.67)	(7.90)
Plans assets at fair value	117.80	116.04
<b>Funded status of the plan</b>	<b>21.74</b>	<b>21.06</b>
<b>Gratuity cost</b>		
Service cost	9.14	14.97
Interest cost	10.38	11.31
Expected return on plan assets	(8.24)	(8.47)
Actuarial (gain)/loss	(10.61)	(9.61)
Net gratuity cost	0.67	8.20
<b>Assumptions</b>		
Discount rate	7.82%	9.12%
Expected return on assets	8.00%	8.00%
Rate of compensation increase	6.00%	6.00%
Attrition Rate	5.00%	5.00%
Retirement expectancy	58	58

**9 Earnings Per Equity Share**

	2014-15	2013-14
a) Net Profit after Tax	336.45	1511.40
b) Preference Dividend Accrued for the year (including Income Tax on Pref. Dividend)	0.00	80.97
c) Net Profit After Tax available for Equity Shareholders ( a-b)	336.45	1430.43
d) Weighted average No. of Equity Shares of Rs. 2/- each (Previous Year Rs.10/-each) outstanding during the year ( No. of Equity shares)	70,426,475	70,426,475
e) <b>Basic/Diluted Earnings per Equity Share Rs.</b>	<b>0.48</b>	<b>1.64</b>

**10** As on 31.03.2015, the timing difference has resulted in deferred tax liability/assets amounting to Rs. 271.85 Lakhs

The break up of deferred tax assets/liabilities is as follows;

Deferred Tax Liability on account of timing difference in Depreciation : Rs. 271.85 Laks

Deferred Tax Asset on account of Section 43B of IT Act : Rs. NIL

**11** Balance with Central Excise Department includes unavailed Modvat credit of Rs.102.32 lakhs of which there is no dispute . by the Central Excise Department

**12** Provision for Income Tax is not made, in view of set off 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.

**13** 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.

**14** 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 together with interest as on 31st March'2015 to Micro, Small and Medium Enterprises is Rs. Nil ( previous year Rs.Nil.)

**15** Previous Year figures have been Re grouped and/or Reclassified where ever necessary to make them comparable with those of Current Year.

As per our report of even date attached

**For Nekkanti Srinivasu & Co**

Chartered Accountants

Firm Regn. No.008801S

**CA N Srinivasu**

PARTNER

M.No. 209453

Place : Bengaluru

Date : 25th May, 2015

For and on behalf of the Board

**Ch. Nagaraju**

Whole Time Director (Operations)

DIN : 07053626

**S Gajendran**

Non-Executive Independent Director

DIN : 00250136

**N. Sankarayya**  
Chief Financial Officer

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 2. Share Capital**

(in `)

	As at March 31, 2015		As at March 31, 2014	
	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
<b>Entire Preference Shares are held by Pentacle Infrastructure &amp; Towers Pvt Ltd, and are to be redeemed by 14.08.2015</b>				
<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	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
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, 2014		As March 31, 2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Cronimet Mercon Invest Limited, Dubai	43,292,205	61.47%	43,292,205	61.47%

(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	08/14/2004	08/14/2015
<b>Total</b>	<b>86,511,700</b>		

**Note 3. Reserves & Surplus**

( in ` )

	As At 31.03.2013	Additions	Deductions	As At 31.03.2014
<b>Capital Reserves</b>				
Capital Reserve	249,238,721	-	-	249,238,721
General Reserves	-	-	-	-
Share Premium a/c	162,000,000	-	-	162,000,000
<b>Total - A</b>	<b>411,238,721</b>	<b>-</b>	<b>-</b>	<b>411,238,721</b>

Particulars	As At 31.03.2015	As At 31.03.2014
<b>Profit and Loss Account</b>		
Opening Balance	553,224,162	420,068,278
Add Net Profit after tax transferred from Statement of Profit & Loss	33,644,710	151,140,488
	586,868,872	571,208,766
Less : Preference dividend	-	6,920,936
Corporate Dividend Tax-Preference	-	1,176,213
Equity Dividend	-	8,451,177
Corporate Dividend Tax-Equity	-	1,436,278
	-	17,984,604
<b>Total - B</b>	<b>586,868,872</b>	<b>553,224,162</b>
<b>Total Reserves &amp; Surplus ( A+ B)</b>	<b>998,107,593</b>	<b>964,462,883</b>

**Note 4 Long Term Borrowings**

Particulars	As At 31.03.2015	As At 31.03.2014
Secured Loan from Financial Institutions	2,068,027	3,740,750
<b>Total</b>	<b>2,068,027</b>	<b>3,740,750</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 31.03.2015	As At 31.03.2014
Secured Cash Credit from State Bank of Travancore	456,532,422	289,816,140
<b>Total</b>	<b>456,532,422</b>	<b>289,816,140</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 31.03.2015	As At 31.03.2014
(a) Due to Micro and Small Enterprises	-	-
(b) Due to other than Micro and Small Enterprises	124,477,190	139,506,867
<b>Total</b>	<b>124,477,190</b>	<b>139,506,867</b>

**Note 7 Other Current Liabilities**

Particulars	As At 31.03.2015	As At 31.03.2014
Current maturities of Long Term Debt	1,017,300	1,838,563
Unclaimed Dividend	373,951	373,951
Advance Received from Customers	-	-
Other Payables	46,571,477	69,591,692
<b>Total</b>	<b>47,962,728</b>	<b>71,804,206</b>

**Note 8 Short Term Provisions**

Particulars	As At 31.03.2015	As At 31.03.2014
Provision for Employee Benefits	11,041,077	81,988,57
Provision for Income Tax	67,844,464	67,844,464
Provision for Dividend	-	15,372,113
Provision for Corporate Dividend Tax	-	2,612,491
<b>Total</b>	<b>78,885,541</b>	<b>94,027,925</b>

**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

**Note 9. Fixed Assets**

Sl. No.	Description	GROSS BLOCK				DEPRECIATION				NET BLOCK	
		As At 01.04.14	Additions	Deletions	Total as at 31.03.15	As At 01.04.14	For the Period	Deletions for the Period	Upto 31.03.15	As at March' 15	As at March' 14
		Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	LAND	7,444,642	-	-	7,444,642	-	-	-	-	7,444,642	7,444,642
2	BUILDINGS (FACTORY) BUILDINGS (NON FACTORY)	95,763,515 4,610,762	- -	- -	95,763,515 4,610,762	54,801,572 1,139,487	2,764,117 69,581	- -	57,565,689 1,209,069	38,197,826 3,401,693	7,444,642 7,444,642
3	PLANT AND MACHINERY PLANT AND MACHINERY ELECTRICAL EQUIPMENT MATERIAL HANDLING EQUIPMENT POLLUTION CONTROL EQUIPMENT WORKSHOP EQUIPMENT LAB EQUIPMENT WEIGHING SCALE EQUIPMENT FIRE FIGHT EQUIPMENT 132 KV SUB STATION	128,769,633 61,532,466 125,495,684 41,516,162 682,550 3,336,811 1,839,078 259,833 47,011,386	4,222,971 102,600 - - - - - - -	- - - - - - - - -	132,992,604 61,635,066 125,495,684 41,516,162 682,550 3,336,811 1,839,078 259,833 47,011,386	109,132,986 42,405,809 93,082,418 8,195,265 671,507 898,219 1,334,611 206,933 35,341,357	4,047,080 976,742 7,447,677 1,419,605 1,216 124,877 42,272 3,327 8,887,399	- - - - - - - - -	113,180,066 43,382,551 100,530,095 9,614,870 672,723 1,023,095 1,376,883 210,261 44,228,757	19,812,538 18,252,515 24,965,589 31,901,292 9,827 2,313,716 462,195 49,572 2,782,629	19,636,647 19,126,657 32,413,266 33,320,897 11,043 2,438,592 504,467 52,900 11,670,029
4	FURNITURE AND FIXTURES & OFFICE EQUIPMENTS COMPUTER EQUIPMENT	7,986,784 4,719,696	12,800 35,800	- -	7,999,584 4,755,496	6,384,020 4,519,059	452,411 181,304	- -	6,836,431 4,700,362	1,163,153 55,134	1,602,764 200,637
5	VEHICLES	12,706,480 26,097,987 26,097,987	48,600 - -	- - -	12,755,080 26,097,987 26,097,987	10,903,078 8,647,645 8,647,645	633,715 2,136,893 2,136,893	- - -	11,536,793 10,784,537 10,784,537	1,218,287 15,313,450 15,313,450	1,803,402 17,450,342 17,450,342
6	GROSS BLOCK CAPITAL WORKS-IN-PROGRESS	557,066,989 -	4,374,171 -	- -	561,441,160 -	366,760,888 -	28,554,500 -	- -	395,315,388 -	166,125,772 -	190,306,101 -
	TOTAL	557,066,989	4,374,171	-	561,441,160	366,760,888	28,554,500	-	395,315,388	166,125,772	190,306,101

Note 10 Non Current Investments

Particulars	As At 31.03.2015	As At 31.03.2014
Non Trade Investments		
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 31.03.2015	As At 31.03.2014
Capital Advances	83,388,026	83,388,026
Security Deposits	194,039,400	194,039,400
<b>Total</b>	<b>277,427,426</b>	<b>277,427,426</b>

Note 12 : Inventories

(As valued and certified by the management)

Particulars	As At 31.03.2015	As At 31.03.2014
Raw Materials	42,273,776	102,869,907
Work-in-Progress	38,190,000	750,000
Finished Goods	639,883,926	546,410,891
Stores & Spares	5,483,976	68,739,76
<b>Total</b>	<b>725,831,679</b>	<b>656,904,774</b>

Note 13 Trade Receivables (Unsecured considered good)

Particulars	As At 31.03.2015	As At 31.03.2014
Debts outstanding for a period exceeding six months	28,120,881	27,334,567
Others	447,022,718	325,831,038
<b>Total</b>	<b>475,143,599</b>	<b>353,165,605</b>

Note 14 Cash and Bank Balances

Particulars	As At 31.03.2015	As At 31.03.2014
i) Cash and Cash equivalents		
a) balance with banks		
in current account	707,106	571,110
in Unpaid Dividend account	375,567	375,567
b) cheques , drafts on hand	0	31,659
c) cash on hand	874	4,906
ii) Other Bank Balances		
Balances with banks to the extent held as margin money in deposit account	1,336,056	22,817,754
<b>Total</b>	<b>2,419,603</b>	<b>23,801,296</b>

Note 15 Short Term Loans and Advances

(Unsecured considered good)

Particulars	As At 31.03.2015	As At 31.03.2014
(a) Staff Advances	462,449	1,370,413
(b) Security deposits	0	0
(c) loans and advances to related parties	0	0
(d) other loans and advances		
- balance with customs & central excise authorities	11,851,569	23,986,94
- advance recoverable in cash or kind or for value to be received	174,718,764	178,515,479
<b>Total</b>	<b>187,032,782</b>	<b>182,284,586</b>

Note 16 Other Current Assets

Particulars	As At 31.03.2015	As At 31.03.2014
Income accrued on deposits etc	3,297,881	3,322,927
IT Refund Due	6,167,072	5,430,408
Export Entitlements	700,248	7,362,558
<b>Total</b>	<b>10,165,201</b>	<b>16,115,893</b>

Note 17 Revenue from Operations

(Rs)

Particulars	For the year ended 31.03.2015	For the Year ended 31.03.2014
a. Sales of Finished Products	530,153,153	1,016,616,726
b. Sale of Traded Goods	2,379,955,277	2,359,447,249
c. Sale of Scrap, Slag	11,981,986	88,948,249
<b>Total</b>	<b>2,922,090,416</b>	<b>3,465,012,224</b>
Less excise duty	44,558,193	81,721,501
	2,877,532,223	3,383,290,723
Add : Export Incentives	2,683,638	31,794,182
<b>Total</b>	<b>2,880,215,861</b>	<b>3,415,084,905</b>

Note 18 Other Income

Particulars	For the year ended 31.03.2015	For the Year ended 31.03.2014
Miscellaneous income	750,810	759,224
Scrap Sales	2,894,003	0
<b>Total</b>	<b>3,644,813</b>	<b>759,224</b>

Note 19 Cost of Materials Consumed

Particulars	For the year ended 31.03.2015	For the Year ended 31.03.2014
Inventory at the beginning of the year	102,869,907	33,714,427
Add : Purchases	248,526,083	701,018,436
	351,395,990	734,732,863
Less : Inventory at the end of the Year	<b>42,273,776</b>	102,869,907
<b>Cost of Materials Consumed</b>	<b>309,122,213</b>	<b>631,862,956</b>
<u>Details of materials consumed:</u>		
Chrome Ore & lumps	235,148,042	458,495,926
Coal & coke	56,319,604	121,379,578
Others	17,654,567	51,987,452
<b>Total</b>	<b>309,122,213</b>	<b>631,862,956</b>
<u>Details of Inventory:</u>		
Chrome Ore & lumps	37,340,620	54,246,553
Coal & coke	1,573,762	42,968,804
Others	3,359,394	5,654,550
<b>Total</b>	<b>42,273,776</b>	<b>102,869,907</b>

Note 20 PURCHASES OF TRADED GOODS

Particulars	For the year ended 31.03.2015	For the Year ended 31.03.2014
Ferro Chrome	479,617,343	2,269,623,642
Steel	202,609,340	11,401,647
Coal & coke	155,241,677	24,270,117
Merchandise	1,473,556,072	57,564,175
<b>Total</b>	<b>2,311,024,432</b>	<b>2,362,859,581</b>

Note 21 (Increase) / Decrease in inventories

Particulars	For the year ended 31.03.2015	For the Year ended 31.03.2014
Opening Stock		
work-in -process	750,000	625,000
Stock with consignee	3,606,081	0
Finished Goods	265,202,500	188,569,822
Finished Goods (Trading)	277,602,310	0
<b>Total</b>	<b>547,160,891</b>	<b>189,194,822</b>
Closing Stock		
work-in -process	38,190,000	750,000
Finished Goods	222,900,681	265,202,500
Finished Goods (with consignee )	0	3,606,081
Finished Goods Trading	416,983,245	277,602,310
	678,073,926	547,160,891
<b>Total</b>	<b>(130,913,035)</b>	<b>(357,966,069)</b>

**Note 22 Employee Benefit Expenses**

Particulars	For the year ended 31.03.2015	For the Year ended 31.03.2014
Salaries, Wages and Bonus	44,267,791	48,402,498
Contribution to Provident and Other Funds	2,356,416	2,775,265
Staff Welfare Expenses	704,392	2,104,708
<b>Total</b>	<b>47,328,599</b>	<b>53,282,471</b>

**Note 23 Finance Cost**

Particulars	For the year ended 31.03.2015	For the Year ended 31.03.2014
Interest on Working Capital	61,845,806	64,609,794
Interest - Others	4,424,151	1,699,041
Bank Charges	6,196,647	3,184,664
<b>Total</b>	<b>72,466,604</b>	<b>69,493,499</b>

**Note 24 Other Expenses**

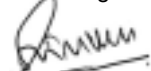
Particulars	For the year ended 31.03.2015	For the Year ended 31.03.2014
Material Handling Expenses	10,088,434	7,055,225
Power and Fuel	126,781,857	274,421,507
Stores and Spares	9,329,139	33,450,402
Repairs and Maintenance	5,921,878	5,372,209
Annual Maintenance Charges	146,904	361,180
Vehicle Maintenance	430,392	595,905
Travelling and Conveyance	1,610,936	2,012,945
Communication Expenses	591,839	610,762
Other Administrative Expenses	11,984,839	9,525,151
Consultancy and Other Professional Charges	1,406,824	3,594,142
Printing & Stationary	173,298	186,545
License & Fee	511,644	1,169,500
Insurance	1,944,086	3,130,255
Donations	44,100	173,000
Distribution Expenses	15,740,345	39,195,785
Cst/vat	34,157,793	103,522,130
Auditor's Remuneration		
Statutory Audit	150,000	150,000
Tax Audit	20,000	20,000
<b>Total</b>	<b>221,034,307</b>	<b>484,546,642</b>

**FORM A****FORMAT OF COVERING LETTER OF THE ANNUAL AUDIT REPORT TO BE FILED WITH THE STOCK EXCHANGES**

- Name of the Company : **Metkore Alloys & Industries Limited**
- Annual Financial Statements for the year ended : **March 31, 2015**
- Type of Observation : **Unqualified**
- Frequency of Observation : **Not Applicable**

**For Nekkanti Srinivasu & Co**

Chartered Accountants  
Firm Regn. No.008801S



**N Srinivasu**  
Partner  
M.No. 209453

For and on behalf of the Board



**Chikali Nagaraju**  
Whole-time Director (Operations)  
DIN : 00389225



**N Sankaraya**  
General Manager (F&A) &  
Chief Financial Officer



**S Gajendran**  
Chairman, Audit Committee  
DIN : 00250136



**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 9th Annual General Meeting of the Company to be held on Wednesday, September 30, 2015 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:

- Name : \_\_\_\_\_ Address : \_\_\_\_\_  
 E-mail Id : \_\_\_\_\_ Signature : \_\_\_\_\_ or failing him:
- Name : \_\_\_\_\_ Address : \_\_\_\_\_  
 E-mail Id : \_\_\_\_\_ Signature : \_\_\_\_\_ or failing him:
- 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 9th Annual General Meeting of the Company to be held on Wednesday, September 30, 2015 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.

Sl.No.	Resolutions
<b>Ordinary Business</b>	
1.	Adoption of Accounts for the year ended March 31, 2015 and the reports of the Board of Directors and the Statutory Auditors
2.	Appointment of M/s. Nekkanti Srinivasu & Co as Auditors and fix their remuneration
<b>Special Business</b>	
3.	Ordinary Resolution to appoint of Cost Auditor
4.	Ordinary Resolution to appoint of Sri Chikali Nagaraju as Whole-time Director (Operations)
5.	Ordinary Resolution to appoint of Smt Sarita Boorugu as Director
6.	Special Resolution to consider conversion of preference shares into equity shares
7.	Special Resolution to allotment of equity shares on preferential basis

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

Affix `1/-  
Revenue  
Stamp &  
Sign

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

**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.

**PRINTED MATTER  
BOOK-POST**

*If Undelivered, Please return to :*

**METKORE ALLOYS & INDUSTRIES LIMITED**

Regd. Office : Plot No. 18, Sagar Society

Street No. 1, Road No. 2, Banjara Hills,

Hyderabad - 500 034.