

# **Metkore Alloys & Industries Limited**

**12th Annual Report  
2017-2018**



## NOTICE

**NOTICE IS HEREBY GIVEN THAT THE TWELFTH ANNUAL GENERAL MEETING OF THE MEMBERS OF METKORE ALLOYS & INDUSTRIES LIMITED WILL BE HELD ON SATURDAY THE SEPTEMBER 29, 2018 AT 10.00 AM AT HOTEL DEVI GRAND, 11-5-152, BHAVANI NAGAR, MOOSAPET 'X' ROADS, HYDERABAD, TELANGANA 500018 TO TRANSACT THE FOLLOWING BUSINESS:**

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statements for the financial year ended March 31, 2018, the Reports of Board of Directors and Auditors thereon.
2. To appoint Auditors, fix their remuneration and in this regard to consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution:**

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

### **SPECIAL BUSINESS:**

3. To approve the remuneration of the Cost Auditors for the financial year ending March 31, 2019 and in this regard, to consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** in accordance with the provisions of Section 148 and other applicable provisions, if any of the Companies Act, 2013 and the Companies [Audit and Auditors] Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the remuneration of the Cost Auditor, Jithendra Kumar & Company, Cost Accountants for the year ending March 31, 2019 be and is hereby determined as recommended by the Audit Committee and approved by the Board of Directors”.

By Order of the Board

**Place: Bengaluru**

**Date: 09.08.2018**

**S Gajendran**

Chairman and the Non-Executive

Independent Director

DIN : 00250136

### **NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER. A person can act as Proxy on behalf of the member not exceeding fifty and holding in the aggregate not more than 10 percent of the total share capital of the Company carrying voting rights. A member holding more than ten per cent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

The instrument of proxy, in order to be effective, should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.

2. The explanatory statement pursuant to Section 102 of the Companies Act, 2013, relating to items 3 is annexed hereto.
3. The Register of Members and the Share Transfer books of the Company will remain closed from September 27, 2018 to September 29, 2018 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 12th 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.metkore.com](http://www.metkore.com)

## E-Voting:

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

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

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

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

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 demats 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 Limited.
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 folio / 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 [sumitamgmt@gmail.com](mailto:sumitamgmt@gmail.com)

9. Once you have cast your vote on a resolution, you will not be allowed to modify it subsequently.
10. The e-voting portal will be open for voting from 26.09.2018 [10.00 AM] to 28.09.2018 [5.00 PM]. During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on 22.09.2018, 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 22.09.2018.
12. In case of any queries, you may refer the Frequently Asked Questions [FAQs] for shareholders and e-voting. User Manual for shareholders available at the download section of <https://evoting.karvy.com> or contact Mr. Varghese PA of Karvy Computershare Pvt. Ltd at 040 44655000 or at 1800 345 4001 [toll free].
13. The results of e-voting will be placed by the Company on its website: [www.metkore.com](http://www.metkore.com) within two days of the AGM and also communicated to the stock exchanges, where the shares of the Company are listed.
14. The resolutions proposed will be deemed to have been passed on the date of the AGM subject to receipt of the requisite number of votes in favour of the resolutions.
15. Sri B.S. Sudhindra Kumar, Practicing Company Secretary has been appointed as the Scrutinizer to the e-voting process.

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

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

The Board, on recommendation of the Audit Committee, has approved the appointment of Cost Auditor and remuneration of Rs.30, 000 [Thirty Thousand Only] to conduct the audit of the cost records relating to Ferro Chrome for the year 2018-19. In connection with the Cost Audit for the year ended March 31, 2019, Sri Jithendra Kumar, Cost Accountant has conveyed his willingness to act as Cost Auditor of the Company. In accordance with the Section 148 of the Companies Act, 2013 read with the Companies [Audit and Auditors] Rules, 2014, the remuneration for the Cost Auditor as recommended by the Audit Committee and approved by the Board is required to be ratified by the shareholders.

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

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

By Order of the Board

**Place: Bengaluru**  
**Date: 09.08.2018**

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

## DIRECTOR'S REPORT

Dear Members,

Your Directors take pleasure in presenting the Twelfth Annual Report and the Company's audited financial statement for the Financial Year ended March 31, 2018.

Particulars	2017-18	2016-17
Revenue From Operations	891.91	1110.10
Other income	3.16	1.78
Total Revenue	<b>895.07</b>	<b>1111.88</b>
Total Expenses	<b>2810.34</b>	<b>3308.88</b>
Profit/(Loss) Before exception and extraordinary items	<b>(1915.27)</b>	<b>(2196.99)</b>
Exception and Extraordinary items	-	-
<b>PROFIT BEFORE TAX</b>	(1915.27)	(2196.99)
Less: Current tax	-	-
Deferred tax	(21.97)	(8.42)
Profit (Loss) for the year	(1893.30)	(2188.57)

## OPERATIONAL REVIEW

During the year the manufacturing activity Of the company was suspended due to unviable operations and lack of sufficient resources. The power subsidy is not continued by the Government of Andhra Pradesh which was extended during the F.y. 2016-17. The representation for continuation of power subsidy for the F.y. 2017-18, 2018-19 is under active consideration of Government of Andhra Pradesh. The power contributes major input cost. The prices and availability of Ferro chrome are also hurdle to continue the operations of the company.

Your company put its efforts to find strategic partner for financial and technical support for reopening of the unit and expecting to reach out in a period to come.

## DIVIDEND

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

## TRANSFER TO RESERVES

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

## SUBSIDIARY COMPANIES

The Company has no subsidiary and nothing to disclose.

## INTERNAL PROCESS & FINANCIAL CONTROL

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

## CORPORATE SOCIAL RESPONSIBILITY (CSR) -

The Company has not taken up any CSR activities during the Financial under review due to incurring of losses - **Annexure 'A'**.

## VIGIL MECHANISM/WHISTLE BLOWER POLICY

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

## **PREVENTION OF SEXUAL HARASSMENT AT WORK PLACES**

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

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

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO**

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

## **ENVIRONMENT, SAFETY, HEALTH AND ENERGY CONSERVATION**

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

## **PARTICULARS OF EMPLOYEES**

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

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

## **BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Your Board of Directors states the following facts:

- (a) At present 50% representation on the Board and the Chairman of the Board and Audit Committee is headed by an Independent Non executive Director.

Sri N Sankarayya is a Chief Financial Officer.

Mrs. Mahak Roy resigned from the post of Company Secretary in November 2017.

Ms. Deepika Sakhrani was appointed as a Company Secretary w.e.f. August 9, 2018.

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

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

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Your Directors confirm that:

- \* In the preparation of the annual accounts, the applicable Accounting Standards have been followed and that no material departures have been made from the same;
- \* They have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;
- \* They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- \* They have prepared the annual accounts on a going concern basis;
- \* They have laid down internal financial controls for the Company and such internal financial controls are adequate and operating effectively; and
- \* They have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

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

## **BOARD EVALUATION**

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

## **INDEPENDENT DIRECTOR'S MEETING**

During the year, the Independent Directors met on February 14, 2018.

## **BOARD MEETING**

During the year, Five Board Meetings held i.e. May 29, 2017, July 26, 2017, August 02, 2017, November 13, 2017 and February 14, 2018 as against the minimum requirement of four meetings.

## **EXTRA ORDINARY GENERAL MEETING**

During the year, under review, no Extra Ordinary General Meeting held.

## **RELATED PARTY TRANSACTIONS**

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

## **MANAGEMENT DISCUSSIONS AND ANALYSIS**

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

## **CORPORATE GOVERNANCE REPORT**

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

## **AUDITORS**

### **a) Statutory Auditors**

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

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

### **Qualification made by Auditor**

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

### **Management's Reply**

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

### **b) Cost Auditor**

M/s Jithendra Kumar & Co, Cost Accountants carried out the cost audit during the year. The Board of Directors on recommendation of the Audit Committee has appointed M/s Jithendra Kumar & Co, [Firm Reg. No 103347] Cost Accountants, as the Cost Auditor of the Company for the year 2018-19.

### **c) 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 2017-18. There were no qualification, reservation or adverse remarks given by the Secretarial Auditor and the report is appended to this report - **Annexure 'D'**.

## **EXTRACT OF ANNUAL RETURN**

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



## **DISCLOSURE WITH RESPECT TO EMPLOYEES STOCK OPTION SCHEME**

The Company does not have any Employees Stock Option Scheme.

## **RISK MANAGEMENT COMMITTEE**

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

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

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

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

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

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

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

## **DEPOSITS**

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

## **APPRECIATION AND ACKNOWLEDGEMENT**

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

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

On behalf of the Board of Directors

**Place: Bengaluru**  
**Date: 09.08.2018**

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

**ANNEXURE -A**

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

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

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

2. The composition of the CSR Committee:

Sri S Gajendran - Non Executive Independent Director - Chairman

Sri M V BhaskaraRao IPS [Retd] - Member

Smt Shakuntala Prakash Bhat - Member

Average net profit of the Company for last three financial years - NIL

Prescribed CSR Expenditure [2% of the amount as in item 3 above] - NIL

3. Details of CSR spent during the financial year:

a. Total amount to be spent for the financial year - NIL

b. Amount unspent, if any - NIL

c. Manner in which the amount spent during the financial year is detailed below:

Sl. No	CSR Project of activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and District where projects or programs was undertaken	Amount outlay (budget) Project or programs wise	Amount spent on the projects or programs sub-heads (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure up to the reporting period	Amount spent Direct or through implementing agency@
1.	NIL	NIL	NIL	NIL	NIL	NIL	NIL

4. 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.

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

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

**ANNEXURE TO THE DIRECTORS' REPORT**

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

- a) Conservation of Energy: NIL
- b) Energy Conservation measures taken: NIL
- c) Future Proposals for Energy conservation: NIL
- d) Impact of measures at (a) & (b) for reduction of energy consumption: NIL
- e) Technology Absorption, adaptation & Innovation: NIL
- f) Global Business strategies, if any: NIL
- g) Foreign exchange earning &outgo: NIL