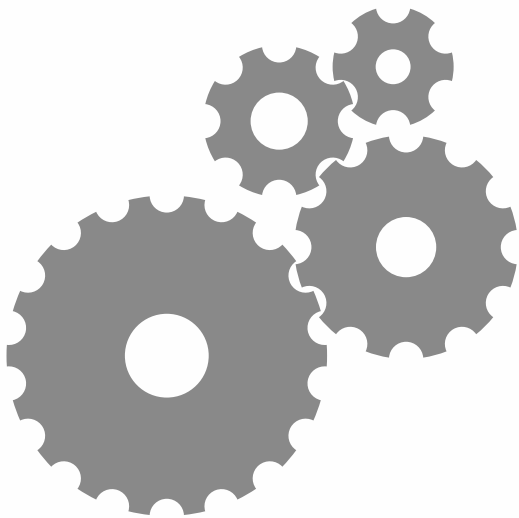


# ADHUNIK METALIKS LIMITED



ANNUAL  
**REPORT**  
2016-17



## CORPORATE INFORMATION

### BOARD OF DIRECTORS

|                            |   |                        |
|----------------------------|---|------------------------|
| Shri Ghanshyam Das Agarwal | - | Non-executive Chairman |
| Shri Jugal Kishore Agarwal | - | Non-executive Director |
| Shri Mohan Lal Agarwal     | - | Non-executive Director |
| Shri Nihar Ranjan Hota     | - | Independent Director   |
| Shri Nandanadan Mishra     | - | Independent Director   |
| Shri Gopal Dikshit         | - | Independent Director   |
| Shri Amrendra Prasad Verma | - | Independent Director   |
| Smt Uttara Dasgupta        | - | Nominee Director       |
| Shri Nirmal Kumar Agarwal  | - | Managing Director      |

### COMPANY SECRETARY

Mr. Pankaj Kumar Choubey

### STATUTORY AUDITORS

Das & Prasad  
Chartered Accountants

### COST AUDITORS

SB & Associates  
Cost Accountants

### REGISTERED OFFICE

Chadri Hariharpur  
P.O. Kuarmunda  
Sundergarh  
Odisha-770039  
Phone: (0661)3051300  
Fax: (0661)3051303

### CORPORATE OFFICE

"Lansdowne Towers"  
2/1A, Sarat Bose Road  
Kolkata-700020  
Phone: (033)30517100 (30 Lines)  
Fax: (033)22890285 / 30517225  
e-mail: [investorsrelation@adhunikgroup.co.in](mailto:investorsrelation@adhunikgroup.co.in)

### WEBSITE

[www.adhunikgroup.com](http://www.adhunikgroup.com)

### REGISTRAR & SHARE TRANSFER AGENT

M/s. Karvy Computershare Pvt. Ltd.  
Karvy Selenium, Tower B  
Plot No. 31 & 32, Financial District  
Nanakramguda, Gachibowli  
Hyderabad – 500032  
Phone: 91-40-67162222  
Fax: 91-40-2342-8014  
E-mail: [einward.ris@karvy.com](mailto:einward.ris@karvy.com)

### BANKERS

Allahabad Bank  
Bank of Baroda  
Bank of Maharashtra  
Corporation Bank  
HDFC Bank  
ICICI Bank  
IFCI Limited  
Indian Overseas Bank  
Punjab National Bank  
Punjab & Sind Bank  
State Bank of India  
Syndicate Bank  
SREI Infrastructure Finance Ltd.  
UCO Bank  
Union Bank of India

## Report u/s 134 of the Companies Act, 2013

To the Members of  
**Adhunik Metaliks Limited,**

The 16th Annual Report and the Audited Financial Results of your Company for the financial year ended March 31, 2017 along with the report on the business and its operations is being presented hereunder:

(Rs. Lacs)

| Particulars                                               | Standalone  |            | Consolidated |            |
|-----------------------------------------------------------|-------------|------------|--------------|------------|
|                                                           | 2016-17     | 2015-16    | 2016-17      | 2015-16    |
|                                                           | (12 Months) | (9 Months) | (12 Months)  | (9 Months) |
| Revenue from operations                                   | 72,203.68   | 51,066.66  | 1,22,114.48  | 72,320.51  |
| Other income                                              | 920.84      | 755.12     | 3,854.95     | 2,673.95   |
| Revenue from operations (including other income)          | 73,124.52   | 51,821.78  | 1,25,969.43  | 74,994.46  |
| Profit before Interest, Depreciation and Exceptional item | -11,618.29  | -7,487.64  | -9,191.82    | -11,505.27 |
| Less: Finance Cost                                        | 30,223.18   | 19,776.25  | 58,539.34    | 39,050.19  |
| Less: Depreciation                                        | 12,472.97   | 10,149.71  | 18,911.03    | 14,673.08  |
| Profit/(loss) before Exceptional item                     | -54,314.44  | -37,413.60 | -86,642.19   | -65,228.54 |
| Less : Exceptional items                                  | 21,766.28   | 5,113.45   | 52,874.95    | 6,812.43   |
| Profit/(loss) before Tax                                  | -76,080.72  | -42,527.05 | -1,39,517.14 | -72,040.97 |
| Taxes                                                     | 11,158.14   | -2,530.21  | 8,623.85     | -7,767.64  |
| Net Profit/(loss) after tax but before minority interest  | -87,238.86  | -39,996.84 | -1,48,140.99 | -64,273.33 |
| Share of profit /(loss) of Minority Interest              | —           | —          | —            | —          |
| Profit/(loss) for the year                                | -87,238.86  | -39,996.84 | -1,48,140.99 | -64,273.33 |

### OPERATIONAL REVIEW

During the year under review, the Total Income from Operations (including other income) was ₹ 73,124.52 Lacs as compared to ₹ 51,821.78 Lacs in the previous year (9 months) on standalone basis. The Company posted a net loss after tax of ₹ (87,238.86) Lacs as compared to the net loss of ₹ (39,996.84) during the previous year.

### DIVIDEND

No dividend was recommended during the year under review.

### TRANSFER TO RESERVES

In view of losses incurred by the Company during the year, no amount has been transferred to the General Reserve for the financial year ended 31<sup>st</sup> March, 2017.

### CHANGE IN NATURE OF BUSINESS

During the year under review, there has been no change in the nature of business of the Company.

### FINANCIAL YEAR

The financial year of the Company is from 1st April, 2016 to 31st March, 2017.

### DEPOSITS

Your Company did not accept any deposits within the meaning of Section 73 of the Companies Act, 2013 and the rules made there under. The Company does not hold any deposits from the public, shareholders and employees as on 31<sup>st</sup> March, 2017.

### FINANCE

The Lenders of the Company had invoked Strategic Debt Restructuring (SDR) in the Company during the FY 2016-17. One of the basic conditions of SDR was to issue and transfer 51% stake equity to lenders. However, the shares could not be transferred to the lenders as the merger of Orissa Manganese & Minerals Limited with Adhunik Metaliks Limited is still pending at Hon'ble Odisha High Court and the ultimate objectives sought to be achieved under SDR Mechanism couldn't be achieved during the financial year under review.

## Report u/s 134 of the Companies Act, 2013 (Contd.)

### SCHEME OF AMALGAMATION

During the Financial year 2013-14, your Directors approved amalgamation of the Company with its wholly owned subsidiary i.e. Orissa Manganese & Minerals Limited. The Company has filed the confirmation Petition before the Hon'ble High Court, Cuttack (Odisha) and the same is pending for approval at present. However, due to the ongoing insolvency resolution process initiated against the Company, the fate of the amalgamation shall depend upon the outcome of the resolution process.

### SHARE CAPITAL

The Company's paid up equity share capital remained at Rs. 1,234,995,360 (Rupees One Hundred Twenty Three Crores Forty Nine Lacs Ninety Five Thousand Three Hundred Sixty only) comprising of 12,34,99,536 equity shares of ₹ 10 each. There was no change in the Company's paid up share capital during the year under review.

### TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Your Company has, subsequent to year end, transferred a sum of ₹ 1,43,619/- to Investor Education and Protection Fund, in compliance with the provisions of Section 124, 125 and other applicable provisions of the Companies Act, 2013.

The said amount represents dividend for the year 2008 -09 which remained unclaimed for a period of 7 years from its due date of payment.

### SUBSIDIARY/ASSOCIATE COMPANY/JOINT VENTURE AND CONSOLIDATED FINANCIAL STATEMENTS

Your company's wholly owned subsidiary namely, Orissa Manganese & Minerals Limited (OMML) operates Ghatkuri Iron ore mines in the state of Jharkhand and Patmunda in the state of Odisha. OMML operates an iron ore pellet plant at Kandra, Jharkhand. Your company has one another subsidiary Kolkata Glass & Ceramics Limited and has an associate company Adhunik Power & Natural Resources Limited. The company has a joint venture naming United Minerals.

The consolidated financial statements presented by the Company include financial information of its subsidiaries and Joint Venture prepared in compliance with applicable Accounting Standards.

A statement containing the salient features of the financial statement of the Company's subsidiaries/associate in the prescribed form AOC-1 pursuant to first proviso to Section 129(3) of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014 is annexed separately to the financial statements as **Annexure-A**. The Annual Accounts of the subsidiary/associate companies will be made available to the shareholders as and when they demand and will also be kept for inspection by any investor at the registered office of the Company and these subsidiaries/associates. The Financial statements of the Company and its subsidiaries are also available on the website of the Company.

### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The particulars of loans, guarantees and investments have been disclosed in the financial statements.

### MATERIAL CHANGES AFTER THE END OF THE FINANCIAL YEAR

#### A. Cessation of M/s Orissa Manganese & Minerals Limited as Wholly Owned Subsidiary of the company

The Board of Directors of Orissa Manganese & Minerals Limited (OMML) at their meeting held on 12<sup>th</sup> May, 2017 has issued and allotted 132110000 fully paid-up equity shares pursuant to conversion of 132110000, 0.01% Cumulative Compulsorily Convertible Non-Cumulative Preference shares and consequent to the said allotment the holding of Adhunik Metaliks Limited in OMML has reduced from 100% to 13.15%.

In view of the aforesaid allotment Orissa Manganese & Minerals Limited ceased to be a wholly owned subsidiary of Adhunik Metaliks Limited w.e.f. 12th May, 2017.

#### B. Initiation of Corporate Insolvency Resolution Process

The Hon'ble NCLT, Kolkata Bench has vide its order dated 3rd August, 2017 has ordered initiation of insolvency resolution process in respect of the Company with effect from 3rd August, 2017. Further, pursuant to the said Order, Mr. Sumit Binani, having Registration Number IBBI/IPA-001/IP-N00005/2016-17/10025 has been appointed as the Interim Resolution Professional (IRP) from the date of the said order. As such, pursuant to the aforesaid order of the NCLT and in terms of the provisions of Section 17 of the Insolvency and Bankruptcy code, 2016, the powers of the Board of Directors of the Company stands suspended and is being exercised by the Insolvency Resolution Professional. Hence, post 3<sup>rd</sup> August, 2017, no meeting of the Board or its Committees shall be convened till the insolvency resolution process of the Company is on.

## Report u/s 134 of the Companies Act, 2013 (Contd.)

This initiation of CIRP is an effort to chalk out a durable and successful revival plan for the Company. The Resolution Professional shall also reach out to resolution applicants including the company and its promoters for putting forward their resolution plans. The future business plans of the Company will be dependent on the outcome of the CIRP.

### RELATED PARTY TRANSACTIONS

As informed to the Interim Resolution Professional by the Directors of the Company, during the year under review, all Related Party Transactions (RPTs) were on Arm's Length basis and in the ordinary course of business and hence do not fall under the ambit of Section 188(1) of the Act. There was no material RPT entered into by the Company with Promoters, Directors, KMPs or other designated persons during FY 2016-17, except those reported in the financial statements.

In compliance with the provisions of the Act and the SEBI Regulation 2015, each RPT is placed before the Audit Committee for approval. A prior omnibus approval of the Audit Committee is obtained on a yearly basis for the transactions which are foreseen and repetitive in nature. The transactions, pursuant to the omnibus approval so granted, is audited and a detailed quarterly statement of all RPTs is placed before the Audit Committee for its review. The policy on Related Party Transactions as approved by the Board is uploaded on the Company's website at the link [www.adhunikgroup.com](http://www.adhunikgroup.com).

In view of the above, the disclosure required under the Act in Form AOC-2 is not applicable for FY 2016-17. It has been reported to the Interim Resolution Professional that none of the Directors or KMPs has any pecuniary relationships or transactions with the Company during FY 2016-17.

### RISK MANAGEMENT

Board of Directors have formulated and implemented a risk management policy for the company. As informed to the Resolution Professional by the Directors, during the year under review, the Board has been addressing various risks impacting the Company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the company. Further, the Board and the Audit Committee of the Company periodically review and evaluate the risk management system of the Company so that the management controls the risks through properly defined network.

### INTERNAL CONTROL SYSTEM

As informed by the Directors to the Interim Resolution Professional:

Your Company has adequate system of internal control procedures commensurate with its size and the nature of its business. The internal control systems of the Company are monitored and evaluated by the Internal Auditors and their audit reports are periodically reviewed by the Audit Committee of the Board of Directors of the Company.

Your Company manages and monitors the various risks and uncertainties that can have adverse impact on the Company's Business. Your Company is giving major thrust in developing and strengthening its internal audit so that risk threat can be mitigated.

Internal control systems are integral to the Company's corporate governance policy. Some of the significant features of internal control systems include:

- Documenting of policies, guidelines, authorities and approval procedures, encompassing the Company's all primary functions.
- Deploying of an SAP system which covers most of its operations and is supported by a defined on-line authorisation protocol.
- Ensuring complete compliance with laws, regulations, standards and internal procedures and systems.
- De-risking the Company's assets/resources and protecting them from any loss.
- Ensuring the accounting system's integrity proper and authorised recording and reporting of all transactions.
- Preparing and monitoring of annual budgets for all operating and service functions.
- Ensuring the reliability of all financial and operational information.
- Forming an Audit committee of the Board of Directors, comprising Independent Directors. The Audit Committee regularly reviews audit plans, significant audit findings, adequacy of internal controls, and compliance with accounting standards and so on.
- Forming a comprehensive Information Security Policy and continuous up-gradation of IT Systems.

## Report u/s 134 of the Companies Act, 2013 (Contd.)

The internal control systems and procedures are designed to assist in the identification and management of risks, the procedure-led verification of all compliance as well as an enhanced control consciousness.

### **DIRECTORS AND KEY MANAGERIAL PERSONNEL**

In accordance with the provisions of Section 152 of the Companies Act, 2013 and in terms with the Articles of Association of the Company, Mr. Jugal Kishore Agarwal (DIN: 00227460) who retires by rotation and being eligible offers himself for re-appointment. The Board has recommended his re-appointment.

The Company has received declarations from Mr. Nihar Ranjan Hota (DIN: 01173440), Mr. Amrendra Prasad Verma (DIN: 00236108), Mr. Nandanandan Mishra (DIN: 00031342) and Mr. Gopal Dikshit (DIN: 00090579), Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under Section 149 (6) of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

Mr. Ramgopal Agarwala (DIN: 02054856), Independent Director of the Company stepped down from his position with effect from 14th day of September, 2016 owing to his health issues. Mr. Nirmal Kumar Agarwal, Managing Director and Mr. Sanjay Dey, Company Secretary continued to be the Key Managerial Personnel of the company during the financial year 2016-17 and there was a vacancy of Chief Financial Officer during the period under review.

### **Governance Guidelines:**

As informed to the Interim Resolution Professional by the Directors of the Company, the Board of the Company has adopted Governance Guidelines on Board Effectiveness. The Guidelines cover aspects related to composition and role of the Board, Chairman and Directors, Board diversity, definition of independence, Director Term, retirement age and Committees of the Board. It also covers aspects relating to nomination, appointment, induction and development of Directors, Director Remuneration, Subsidiary oversight, Code of Conduct, Board Effectiveness Review and Mandates of Board Committees.

### **Procedure for Nomination and Appointment of Directors:**

As informed to the Interim Resolution Professional by the Directors of the Company, the Nomination and Remuneration Committee (NRC) is responsible for developing competency requirements for the Board based on the industry and strategy of the Company. Board composition analysis reflects in-depth understanding of the Company, including its strategies, environment, operations, financial conditions and compliance requirements.

The NRC conducts a gap analysis to refresh the Board on a periodic basis, including each time a Director's appointment or re-appointment is required. The Committee is also responsible for reviewing and vetting the CVs of potential candidates vis-à-vis the required competencies and meeting potential candidates, prior to making recommendations of their nomination to the Board. At the time of appointment, specific requirements for the position, including expert knowledge expected, is communicated to the appointee.

### **Criteria for Determining Qualifications, Positive Attributes and Independence of a Director:**

As informed to the Interim Resolution Professional by the Directors of the Company, the NRC has formulated the criteria for determining qualifications, positive attributes and independence of Directors in terms of provisions of Section 178(3) of the Act and Regulation 19 read with Part D of Schedule II of the Listing Regulations.

**Independence:** In accordance with the above criteria, a Director will be considered as an 'Independent Director' if he/ she meets with the criteria for 'Independent Director' as laid down in the Act and Regulation 16(1)(b) of the Listing Regulations.

**Qualifications:** A transparent Board nomination process is in place that encourages diversity of thought, experience, knowledge, perspective, age and gender. It is also ensured that the Board has an appropriate blend of functional and industry expertise. While recommending the appointment of a Director, the NRC considers the manner in which the function and domain expertise of the individual will contribute to the overall skill-domain mix of the Board.

**Positive Attributes:** In addition to the duties as prescribed under the Act, the Directors on the Board of the Company are also expected to demonstrate high standards of ethical behavior, strong interpersonal and communication skills and soundness of judgment. Independent Directors are also expected to abide by the 'Code for Independent Directors' as outlined in Schedule IV to the Act.

### **BOARD EVALUATION**

As informed to the Interim Resolution Professional by the Directors of the Company, the Board carried out an annual performance evaluation of its own performance, the individual Directors as well as the Board Committees, in due

## Report u/s 134 of the Companies Act, 2013 (Contd.)

compliance with the provisions of the Companies Act, 2013 and the Listing Regulations. The performance evaluation of the Independent Directors was carried by the entire Board and the performance evaluation of the Chairman and Non – Independent Directors was carried out by the Independent Directors.

The Board evaluation was carried out in accordance with the criteria laid down in the Nomination and Remuneration policy of the Company.

### REMUNERATION POLICY

The Company has adopted a Remuneration Policy for the Directors, Key Managerial Personnel and other employees, pursuant to the provisions of the Act and the Listing Regulations. The Remuneration Policy is attached as **Annexure-B**.

### BOARD MEETINGS

The Board met 5 (five) times during the year on 26th May, 2016, 2nd September, 2016, 14th September, 2016, 14th December, 2016 and 13th February, 2017 and the details of which are given in the Corporate Governance Report that forms part of the Annual Report. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015.

Further, the Independent Directors at their meeting, reviewed the performance of the Board, Chairman of the Board and of Non Independent Directors, as required under the Act and the SEBI (LODR) Regulations, 2015.

### AUDIT COMMITTEE

The Audit committee comprises of four (4) members of which three (3) members are independent including Chairman. Mr. Nandanandan Mishra is the Chairman of the Audit Committee. The members of the Committee possess adequate knowledge of Accounts, Audit and Finance. The composition of the Audit Committee meets the requirements as per Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (LODR) Regulations, 2015 and is detailed in the Corporate Governance Report forming part of this Annual Report. All recommendations made by the Audit committee were accepted by the Board during FY 2016-17.

### NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee comprises of three (3) members of who all are independent including Chairman. Mr. Nihar Ranjan Hota is the Chairman of the Nomination and Remuneration Committee. The composition of the Nomination and Remuneration Committee meets the requirements as per Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (LODR) Regulations, 2015 and is detailed in the Corporate Governance Report forming part of this Annual Report. All recommendations made by the Nomination and Remuneration Committee were accepted by the Board during FY 2016-17.

### DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirements under Section 134(5) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, the Directors have confirmed to the Resolution Professional the following in respect of the year under review:-

- a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) The Directors had 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 profit and loss of the company for that period;
- c) The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) The Directors had prepared the annual accounts on a going concern basis;
- e) The Directors had laid down proper internal financial controls and such internal financial controls are adequate and were operating effectively;
- f) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### CORPORATE SOCIAL RESPONSIBILITY POLICY

The Corporate Social Responsibility (CSR) is an integral part of our Sustainability Model. The corporate social responsibility policy recommended by the Corporate Social Responsibility Committee had been approved by the Board of

## Report u/s 134 of the Companies Act, 2013 (Contd.)

Directors on 14th May, 2014. The CSR policy is also available on the website of the Company at [www.adhunikgroup.com](http://www.adhunikgroup.com).

The Board has constituted a Corporate Social Responsibility Committee headed by Mr. Nirmal Kumar Agarwal as Chairman, with Mr. Ghanshyam Das Agarwal and Mr. Nandanadan Mishra as Members. The Company has adopted a Corporate Social Responsibility (CSR) Policy in compliance with the provisions of the Act.

Since your Company's last three financial years average net profit was negative, the compliance requirement of spending 2% for CSR initiative was not needed for 2016-17. A brief outline on CSR is attached as **Annexure-C**.

### **POLICY ON PREVENTION, PROHIBITION AND REDRESSAL OF SEXUAL HARASSMENT AT WORKPLACE**

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

The Policy aims to provide protection to employees at the workplace and prevent and redress complaints of sexual harassment and for matters connected or incidental thereto, with the objective of providing a safe working environment, where employees feel secure. The Company has also constituted Internal Committee to inquire into complaints of sexual harassment and recommend appropriate action.

The Company has not received any complaint of sexual harassment during the financial year 2016-17.

### **VIGIL MECHANISM/WHISTLE BLOWER POLICY**

The Company has adopted a Whistle Blower Policy, to provide a formal vigil mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairperson of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee.

### **SIGNIFICANT MATERIAL ORDERS PASSED BY REGULATORS / COURTS ETC.**

As informed to the Interim Resolution Professional by the Directors of the Company, there were no significant and material orders passed by the Regulators / Courts / Tribunals impacting the going concern status and company's operations in future.

There were also no material changes and commitments occurred after the closure of the year till the date of this report, which affect the financial position of the company.

### **DISCLOSURE REGARDING RECEIPT OF COMMISSION BY DIRECTOR**

As informed to the Interim Resolution Professional by the Directors of the Company, during the year under review, none of the Directors has received any commission from holding / subsidiary Company.

### **AUDITORS & AUDITOR'S REPORT**

M/s. Das & Prasad, Chartered Accountants, having registration number FRN 303054E allotted by The Institute of Chartered Accountants of India (ICAI) retires as Auditor of your Company at the ensuing Annual General Meeting (AGM) and have confirmed their eligibility and willingness to accept the office of Auditors, if re-appointed. Pursuant to section 139 of the Companies Act, 2013 and rules framed thereunder, it is proposed to appoint M/s. Das & Prasad, Chartered Accountants (Firm Registration No. 303054E) as Statutory Auditors of the Company for the term of 5 years from the conclusion of this Annual General Meeting (AGM) till the conclusion of the Annual General Meeting to be held for F.Y. 2021-22.

The response of the Directors of the Company obtained by the Resolution Professional with respect to the observations of auditor is as follows:

The observations of the Auditors are duly dealt in Notes to Accounts attached to Balance Sheet and are self-explanatory in nature and do not call for any further comments.

### **INTERNAL AUDITORS**

In terms of the provisions of Section 138 of the Companies Act, 2013, M/s Sudhir Kumar Jain & Associates, Independent Chartered Accountants of Moon House, 5th Floor, Suit 31, 21, Ganesh Chandra Avenue, Kolkata- 700013 having Firm Registration No. 318016E were appointed as Internal Auditors of the Company for the financial year 2016-17. The Audit Committee in consultation with the Internal Auditors formulates the scope, functioning, periodicity and methodology for conducting the Internal Audit. The Audit Committee, inter alia, reviews the Internal Audit Report.

## Report u/s 134 of the Companies Act, 2013 (Contd.)

### **COST AUDITORS**

In respect of financial year ended 31st March, 2017, your Company has appointed M/s. S.B. & Associates, Cost Accountants having Firm Registration No. 00109 as Cost Auditor of the Company w.e.f. 1st April, 2016 to 31st March, 2017 to carry out audit of cost records of the Company in compliance with the requirements of section 148 and all other applicable provisions of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force).

### **SECRETARIAL AUDIT**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company appointed M/s. Rupanjana De & Co., Practicing Company Secretary having Firm Registration No. S2015WB322300 to undertake the Secretarial Audit of the Company for the year ended 31<sup>st</sup> March, 2017. The report has no major observations by the auditor except some of the recommendations for ensuring good corporate governance and it requires no further comments by the board except some of the action to be taken in this regard. The Secretarial Audit Report is annexed as **Annexure - D** herewith and forms part of this report.

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

Details of energy conservation, technology absorption and foreign exchange earnings and outgo are annexed to this report as **Annexure - E**.

### **CORPORATE GOVERNANCE**

The Company adheres to the stipulations prescribed under the prescribed Regulation of SEBI (LODR) Regulations, 2015. A details report on Corporate Governance & Shareholder Information together with the Practising Company Secretary Certificate thereon is annexed as part of this Annual Report.

### **DIRECTORS' APPOINTMENT & REMUNERATION POLICY**

The Company's policy on Directors' appointment and remuneration and other matters provided in Section 178(3) of the Act has been disclosed in the Corporate Governance Report, which forms part of this Annual Report.

### **PARTICULARS OF EMPLOYEES AND REMUNERATION**

The information required under Section 197(12) of the Act read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is attached as **Annexure F**.

The information required under Rule 5(2) and (3) of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in the Annexure forming part of the Report. In terms of the first proviso to Section 136 of the Act, the Report and Accounts are being sent to the Shareholders excluding the aforesaid Annexure. Any Shareholder interested in obtaining the same may write to the Company Secretary at the Registered Office of the Company.

None of the employees listed in the said Annexure is related to any Director of the Company.

### **EXTRACT OF ANNUAL RETURN**

The details forming part of the extract of the Annual Return in Form MGT -9 (**Annexure - G**) as per provisions of the Companies Act, 2013 and rules framed thereunder are annexed to this Annual Report.

### **MANAGEMENT DISCUSSION & ANALYSIS**

A detailed analysis of the Industry and Company Outlook, Company's operations, project review, risk management, strategic initiatives and financial review & analysis as stipulated under the Listing Regulation as prepared and signed by the chairman is presented under a separate section titled "Management Discussion and Analysis" forming part of the Annual Report.

Approved by:  
Sumit Binani  
Interim Resolution Professional  
Place: Kolkata  
Date: 24<sup>th</sup> August, 2017

For Adhunik Metaliks Limited

**Ghanshyam Das Agarwal**  
Chairman  
DIN- 00507800