

**MELIORA ASSET RECONSTRUCTION COMPANY LIMITED**

**13<sup>TH</sup> ANNUAL REPORT**

**2024-25**

## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS:**

Mr. Subbarao Gorti	-	Chairperson (DIN: 10659867)
Mr. M Krishna Mohan	-	Independent Director (DIN :06782097)
Mr. Pillala Ramakrishna Rao	-	Non-Executive Director (DIN: 02119513)
Mr. Sisir Kumar Appikatla	-	Non-Executive Director (DIN:01652759)
Mr. Ravi Kumar Korada	-	Non-Executive Director (DIN:01672360)

### **REGISTERED OFFICE:**

H. No. 47-3-26/14, Flat No.106,  
1st Floor, Bharat Towers, 5th Lane,  
Dwarakanagar, Visakhapatnam,  
Andhra Pradesh- 530016

### **CORPORATE OFFICE:**

503, Mayfair Gardens, Road No.12,  
Banjara Hills, Hyderabad, 500034.

### **STATUTORY AUDITORS:**

M/s. JRS & Associates Chartered Accountants  
10-5-7, Sri Sai Surya Building, Ground Floor,  
Ramnagar, Near GVMC, Visakhapatnam, AP- 530002.

### **AUDIT COMMITTEE:**

Mr Subbarao Gorti	-	Chairman
Mr M Krishna Mohan	-	Member
Mr Pillala Rama Krishna Rao	-	Member

### **NOMINATION & REMUNERATION COMMITTEE:**

Mr Subbarao Gorti	-	Chairman
Mr M Krishna Mohan	-	Member
Mr Pillala Rama Krishna Rao	-	Member

**EXECUTIVE COMMITTEE: (ACQUISITIONS & RESOLUTIONS)**

Mr M Krishna Mohan	-	Chairman
Mr Subbarao Gorti	-	Member
Mr P Rama Krishna Rao	-	Member
Mr A Sisir Kumar	-	Member
Mr Korada Ravi Kumar	-	Member

**RISK MANAGEMENT COMMITTEE:**

Mr M Krishna Mohan	-	Chairman
Mr Subbarao Gorti	-	Member
Mr P Rama Krishna Rao	-	Member

**WEBSITE:** [www.melioraarc.com](http://www.melioraarc.com)

**CORPORATE IDENTITY NUMBER:**

U65923AP2012PLC084298

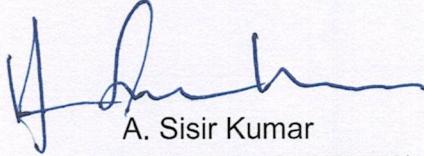
**BANKERS:**

Punjab National Bank  
State Bank of India  
ICICI Bank Limited  
Canara Bank

7. Members who still hold share certificates in physical form are advised to dematerialize their shareholding to avail the benefits of dematerialization.
8. During the period beginning 24 hours before the time fixed for the commencement of Meeting and ending with the conclusion of the Meeting, a Member would be entitled to inspect the proxies lodged at any time during the business hours of the company. All documents referred to in the Notice and accompanying explanatory statement are open for inspection at the Registered Office of the company on all working days of the Company between 11:00 a.m. and 1:00 p.m. up to the date of the Annual General Meeting and at the venue of the Meeting for the duration of the Meeting.
9. Members may also note that the Notice of the 13<sup>th</sup> Annual General Meeting along with the Route Map, Attendance Slip and Proxy Form (in Form MGT-11) for the financial period ended on March 31, 2025. The physical copies of the aforesaid documents will also be available at the Company's Registered Office.

For and on behalf of the board of Directors  
Meliora Asset Reconstruction Company Limited

Date: 01.08.2025  
Place: Visakhapatnam

  
A. Sisir Kumar  
Director (DIN:01652759)



## Board's Report

To,  
The Members,  
M/s. Meliora Asset Reconstruction Company Limited,

Your directors have pleasure in presenting their 13<sup>th</sup> Annual Report on the business and operations of the Company and the accounts for the Financial Year ended 31<sup>st</sup> March, 2025.

### 1. Key Financial highlights/ performance of the company:

The financial performance of the Company for the financial year ended March 31, 2025 is summarized below:

Particulars	2024-25	2023-24
Turnover/Income (Gross)	2,342,500	5,16,19,467
Other Income	30,426,902	2,73,11,077
Profit/loss before Depreciation, Finance Costs, Exceptional items and Tax Expense	27,233,127	4,94,56,135
Less: Depreciation/ Amortisation/ Impairment	21,557	1,50,823
Profit /loss before Finance Costs, Exceptional items and Tax Expense	2,72,11,570	4,93,05,312
Less: Finance Costs	17,109	6,984
Profit /loss before Exceptional items and Tax Expense	27,194,462	4,92,98,328
Add/(less): Exceptional items	--	--
Profit /loss before Tax Expense	27,194,462	4,92,98,328
Less: Current tax	7,75,317	1,44,80,520
Less: Deferred tax	14,329	(12,226)
Profit /loss for the year (1)	26,404,816	3,48,30,034
Total Comprehensive Income/loss (2)	--	--
Total (1+2)	--	--
Balance of profit /loss for earlier years	26,404,816	3,48,30,034

### 2. Financial Performance:

During the year under review, the Company has recorded an income of Rs. 3,27,69,402 and profit of Rs. 2,64,04,816 as against the income of Rs. 7,89,30,544 and Profit of Rs. 3,48,30,034 Lakhs in the previous financial year ending 31.03.2024.



### **3. Transfer To Reserves:**

The Reserves as at the end of 31st March 2025 is Rs. 13,10,59,673/-.

### **4. Dividend:**

Your directors have recommended Interim Dividend for the Financial Year 2024-25 of Rs. 1.50 (1.50%) per equity share of Rs. 10/- each aggregating to Rs. 4,29,79,500/-

### **5. Share Capital:**

The authorized capital of the Company stands at Rs.45,00,00,000/- divided into 3,00,00,000 equity shares of Rs.10/- each and 1,50,00,000, Compulsorily Convertible Cumulative Preference shares of Rs. 10/- each. The company's paid-up capital is Rs. 28,65,30,000/- divided into 2,86,53,000 equity shares of Rs.10/- each.

### **6. Deposits:**

Your Company has not accepted any deposits from the public during the year under review in accordance with Section 73 of the Act read with the rules framed thereunder.

### **7. Holding, subsidiary, joint venture and associate companies:**

Your Company does not have any holding, subsidiary, joint venture or associate companies.

### **8. Declaration by the Company:**

None of the Directors of the Company are disqualified for being appointed as Directors as specified in Section 164 (2) of the Act read with Rule 14 of Companies (Appointment and Qualifications of Directors) Rules, 2014.

### **9. Directors and key managerial personnel:**

As on March 31, 2025, the Board of your Company comprised of 5 (Five) Directors including 3 (three) Non-Executive Directors and 2 (Two) Independent Directors. Your Directors on the Board possess experience and competency and are renowned in their respective fields. All the Directors are liable to retire by rotation except Independent Directors.



**a. Appointment/Re-appointment of Directors of the Company:**

During the year, no Director was appointed or re-appointed as a Director of the Company.

**b. Resignation/ Cessation of Directors of the Company:**

During the year, no Director resigned or ceased to be Director of the Company

**c. Retirement by Rotation:**

In terms of the provisions of the Act and the Articles of Association of the Company, Mr. Ravi Kumar Korada [DIN: 01672360], Director of the Company, retires by rotation and, being eligible, offers himself for re-appointment at the ensuing AGM.

**10. Corporate governance:**

Your directors are enforcing high standards of Corporate Governance in the overall functioning of the Company which, in turn, helps to enhance the economic efficiency of its operations for the benefit of the society as a whole. Director's Report on Corporate Governance is at **Annexure-I**.

**11. Board Meetings:**

The Board of Directors met four (4) times during the previous financial year. As at March 31<sup>st</sup> 2025, the Board has five committees, namely, the Audit Committee, the Risk Management Committee, Independent Directors Committee, Nomination & Remuneration Committee and the Executive Committee (Resolution & Acquisitions).

A detailed update on the Board, its composition, detailed charter including terms and reference of various Board Committees, number of Board and Committee meetings held during FY 2024- 2025 and attendance of the Directors at each meeting is provided in the Report on Corporate Governance, which forms part of this Report.

**12. Audit Committee Recommendations:**

During the year, all recommendations of the Audit Committee were approved by the Board of Directors.



### **13. Significant and Material Orders passed by the Regulators or Courts or Tribunals.**

As per the guidelines of RBI, it was mandatory to increase Net Owned Funds (NOF) to a minimum of Rs. 100.00 crores on or before 31.03.2019. Though the Company had submitted an application backed by an investor M/s Innovative Trades Ltd from Hong Kong, the same was withdrawn as there were discrepancies in their declaration and Dun & Bradstreet report. We submitted a fresh application to RBI backed by a domestic investment fund. However, RBI had cancelled the Certificate of Registration (CoR) vide its order dated 30.08.2019. Aggrieved by this, the Company had appealed on 09.10.2019 to the Secretary, Department of Financial Services, Government of India for the restoration of the licence as per the provisions of the Act. Department of Financial Services (DFS) had rejected our appeal. However, as per the communication from RBI, we continued to be an ARC till the existing assets are resolved or upto five years from the date of acquisition of each asset for redeeming the SRs. Subsequently, RBI extended the validity of each asset for another three years after completion of five years.

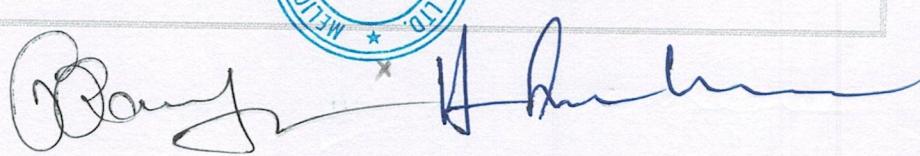
The Company has filed a Writ Petition at The High Court, Delhi W.P. (C) No. 10495/2022, challenging the decision of RBI cancelling the CoR for non-compliance of NOF. As per the interim order passed by Honorable High Court, MARC can reapply for a fresh licence and the same may be considered by RBI without any bearing on their earlier cancellation. We have prayed for restoration of licence instead of applying for a fresh one.

The Board in its 53rd Board Meeting held on 18th July 2024 has directed to withdraw the writ petition in Delhi High Court as there are no potential investors for ARC business due to the present market conditions and requirement of huge capital infusion.

As per RBI Circular RBI/2022-23/128 DoR.SIG.FIN.REC.75/26.03.001/2022-23 dated 11th October, 2022 on Review of Regulatory Framework for Asset Reconstruction Companies (ARCs), it has been directed that the Net Owned Funds (NOF) of the ARCs shall be at a minimum of Rs. 200.00 crores as on 31/03/2024 and at Rs. 300.00 crores as on 31/03/2026. Hence for fresh application, our NOF shall be Rs. 300.00 crores.

### **14. Material changes and commitments, if any, affecting the financial position of the company:**

In compliance with Section 134(4) clause I of the Companies Act, 2013, there are no material changes or commitments in the business operations or financial position of the Company during the financial year 2024-25 and to the date of signing of Directors' Report.



**15. Change in the nature of business, if any:**

There is no change in the nature of business of the Company during the financial year.

**16. Events subsequent to the date of financial statements:**

During the period under review there were no significant and material orders passed by the regulators or Courts or Tribunals impacting the going concern status and the company's operations in future.

**17. Revision of financial statements:**

There was no revision of the financial statements for the year under review.

**18. Adequacy of Internal Financial Statements:**

The Company has in place adequate internal financial controls across the organization commensurate with the size of its operations. The same is subject to periodic review by the Internal Auditors for its effectiveness. During the year under review, such controls were tested and no reportable material weakness in the design or operation was observed.

**19. Particulars of loans, guarantees or investments under section 186:**

The purchase of financial assets from Banks/ Financial Institutions is in the normal course of business of the Company and hence the following information is **Not Applicable** to the Company.

Accordingly, there are no Loans, Guarantees, Investments given during the Financial Year ended on 31st March 2025, which attracts the provisions of Section 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014.

**20. Risk management:**

We are in the process of evolving a comprehensive framework for implementation of the policy and review mechanism, to address the basic objective of risk mitigation.

**21. Corporate Social Responsibility: (CSR):**

Since your Company does not have net worth of Rs. 500 Crore or more or turnover of Rs. 1000 Crore or more or a net profit of Rs. 5 Crore or more during the financial year, section 135 of the Companies Act, 2013 relating to Corporate Social Responsibility is not applicable and hence the Company need not adopt any Corporate Social Responsibility Policy.



## **22. Particulars of contracts or arrangements with related parties:**

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of business. During the financial year 2024-25, there were no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

In line with the provisions of Section 177 of the Act read with the Companies (Meetings of the Board and its Powers) Rules, 2014, omnibus approval for the estimated value of transactions with the related parties for the financial year is obtained from the Audit Committee. The transactions with the related parties are routine and repetitive in nature.

The Form AOC-2 pursuant to Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014 is annexed herewith as Annexure- I to this report.

## **23. Cost records and cost audit:**

Maintenance of cost records and requirement of cost audit as prescribed under the provisions of Section 148(1) of the Act, are not applicable for the business activities carried out by the Company.

## **24. Board Evaluation**

Performance of the Board and Board Committees was evaluated on various parameters such as structure, composition, diversity, experience, corporate governance competencies, performance of specific duties and obligations, quality of decision-making and overall Board effectiveness. Performance of individual Directors was evaluated on parameters such as meeting attendance, participation and contribution, engagement with colleagues on the Board, responsibility towards stakeholders and independent judgement. All the Directors were subjected to peer-evaluation

All the Directors participated in the evaluation process. The results of evaluation were discussed in the Board meeting held in March 2025. The Board discussed the performance evaluation reports of the Board, Board Committees, Individual Directors, and Independent External Persons. The Board upon discussion noted the suggestions / inputs of the Directors. Recommendations arising from this entire process were deliberated upon by the Board to augment its effectiveness and optimize individual strengths of the Directors.

The detailed procedure followed for the performance evaluation of the Board, Committees and Individual Directors is enumerated in the Corporate Governance Report.



## **25. Declaration of independence:**

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with both the criteria of independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013.

In compliance with Rule 6 of Companies (Appointment and Qualification of Directors) Rules, 2014, all the PIDs of the Company have registered themselves with the India Institute of Corporate Affairs (IICA), Manesar and have included their names in the databank of Independent Directors within the statutory timeline.

The Independent Directors have also confirmed that they have complied with Schedule IV of the Act and the Company's Code of Conduct.

During the year, Independent Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses incurred by them for the purpose of attending meetings of the Board of Directors and Committee(s).

## **26. Conservation of energy, technology absorption & foreign exchange earnings and out go:**

The required information as per Sec.134 of the Companies Act 2013 is provided hereunder:

### **A. Conservation of Energy**

Adequate measures have been taken to reduce energy consumption, wherever possible. Total energy consumption and energy consumption per unit of production is not applicable as company is not included in the industries specified in the schedule.

### **B. Technology Absorption**

1. Research and Development (R&D) : Nil
2. Technology absorption, adoption and innovation : Nil

### **C. Foreign Exchange Earnings and Out Go**

Foreign Exchange Earnings: Nil  
Foreign Exchange Outgo : Nil



## **27. Statement showing details of employees:**

Your Directors are pleased to record their appreciation on the sincere contribution by the staff at all levels in the improved performance of the Company.

None of the employees is drawing Rs. 8,50,000/- and above per month or Rs.1,02,00,000/- and above in aggregate per annum, the limits prescribed under Section 197(12) of Companies Act 2013 read with Rule 5 of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014.

## **28. Directors' responsibility statement:**

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that for the financial year ended March 31, 2025:

- a. in the preparation of the annual accounts for the financial year ended 31 March 2025, the applicable accounting standards and schedule III of the Companies Act, 2013 have been followed and there are no material departures from the same;
- b. the Directors 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 your Company as on 31 March 2025 and of the profit and loss of the Company for the financial year ended 31 March 2025;
- c. proper and sufficient care has been taken 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;
- d. The annual accounts have been prepared on a going concern basis;
- e. Proper internal financial controls laid down by the Directors were followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f. Proper systems to ensure compliance with the provisions of all applicable laws were followed and that such systems were adequate and operating effectively.

## **29. Annual Return:**

As per the provisions of Section 134(3)(a) of the Companies Act, 2013, since the Company has a website for Investors, it is uploaded on the company website. A copy of the Annual Return in form MGT-7 shall be filed with the Registrar of Companies.



### **30. Statutory Auditors:**

The existing Statutory Auditors M/s. JRS & Associates., chartered accountants, Hyderabad will retire at the ensuing Annual General Meeting. Accordingly, pursuant to the provisions of sections 139 of the companies Act, 2013 read with rules made there under, and based on the recommendation of the Audit Committee, the Board in its meeting held on 01.08.205 has appointed M/s. A V R S K AND ASSOCIATES LLP, Chartered Accountants, as the statutory auditors of the company, from the conclusion of 13th Annual General Meeting for a period of five Years till the conclusion of this 18th Annual General Meeting subject to the approval of members in ensuing Annual General Meeting.

### **31. Auditors' Report:**

The Board has duly reviewed the Statutory Auditor's Report on the Accounts for the year ended March 31, 2025 and has noted that the same does not have any reservation, qualification or adverse remarks.

### **32. No Frauds reported by statutory auditors:**

During the Financial Year 2024-25, the Auditors have not reported any matter under section 143(12) of the Companies Act, 2013, therefore no detail is required to be disclosed under section 134(3) (ca) of the Companies Act, 2013.

### **33. Transfer of unclaimed dividend to Investor Education & Protection Fund:**

Pursuant to the provisions of Sections 124 and 125 of the Act read with the IEPF (Accounting, Audit, Transfer and Refund) Rules, 2016, dividend / interest / refund of applications which remains unclaimed / unpaid for a period of 7 years is required to be transferred to IEPF. Further, the IEPF Rules mandate the companies to transfer all shares on which dividend remains unclaimed / unpaid for a period of 7 consecutive years to the demat account of the IEPF Authority. Hence, the Company urges all the shareholders to encash/claim their respective dividend during the prescribed period.

During the financial year 2024-25, the company declared an interim dividend of ₹4,29,79,500/. However, two shareholders have not claimed their dividends as they are deceased.

S. No	Name of the Shareholder	Net Dividend in Rs.	Reason for pending payment
1	Ayyagari lakshman Rao	37,500	Shareholder has expired.
2	Yerneni Venkateswara Rao	75,000	Shareholder has expired.



**34. Vigil Mechanism:**

As the Company does not fall under the provisions of section 177 (9) & (10) of the Companies Act, 2013 read with Rule 7 of Companies (Meeting of Board and its Powers) Rules, 2014, the Company has not established a whistle Mechanism.

**35. Failure to implement corporate actions:**

During the year under review, no corporate actions were done by the Company which were failed to be implemented.

**36. Corporate Insolvency Resolution Process under IBC, 2016**

No application, against your company, was filed by any financial or operational creditor for commencement of Corporate Insolvency Resolution Process under IBC, 2016.

**37. Details of difference between valuation amount on one-time settlement and valuation while availing loan from banks and financial institutions:**

During the year under review, there has been no one time settlement of loans taken from banks and financial institutions.

**38. Declaration by the Company:**

The Company has issued a certificate to its Directors, confirming that it has not made any default under Section 164(2) of the Act, as on March 31, 2024.

**39. Statutory compliance:**

The Company has complied with the required provisions relating to statutory compliance with regard to the affairs of the Company in all respects.

**40. Secretarial Standards:**

The Company has devised proper systems to ensure compliance with the provisions of all applicable Secretarial Standards issued by the Institute of Company Secretaries of India and such systems are adequate and operating effectively. During the year under review, the Company was in compliance with the Secretarial Standards (SS) i.e., SS-1 and SS- 2, relating to "Meetings of the Board of Directors" and "General Meetings", respectively.



*[Handwritten signatures of two individuals, one appearing to be 'Bandy' and the other 'Arun']*

**41. Industry based disclosures as mandated by the respective laws governing the company:**

The Company is not a NBFC, Housing Companies etc., and hence Industry based disclosures are not required.

**42. Disclosure under the Sexual Harassment of Women at Work place (Prevention, Prohibition and Redressal) Act, 2013:**

As the Company does not have any women employees, it has not laid down any policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. The same will be complied as and when it is applicable.

**43. Event based disclosures:**

During the year under review, the Company has not taken up any of the following activities:

**Issue of sweat equity share:** The Company has not issued any sweat equity shares during the year under review and hence no information as per provisions of Section 54(1)(d) of the Act read with Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014.

**Issue of shares with differential rights:** The Company has not issued any shares with differential rights and hence no information as per provisions of Section 43(a)(ii) of the Act read with Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014.

**Issue of shares under employee's stock option scheme:** The Company has not issued any equity shares under Employees Stock Option Scheme during the year under review and hence no information as per provisions of Section 62(1)(b) of the Act read with Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014.

**Non- Exercising of voting rights:** During the year under review, there were no instances of non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014.

**Disclosure on purchase by company or giving of loans by it for purchase of its shares:** The Company did not purchase or give any loans for purchase of its shares.

**Buy back shares:** The Company did not buy-back any shares during the period under review.



Two handwritten signatures are present at the bottom of the page, one on the left and one on the right, corresponding to the names mentioned in the stamp.

**Disclosure about revision:** Since the company did not undergo any revision, this clause is not applicable to the company for the period under review.

#### **44. Acknowledgements:**

The Directors express their gratitude for the support and guidance provided by the Reserve Bank of India, sponsors and other shareholders, banks, rating agencies and other service providers. The Board also sincerely acknowledges the significant contributions made by all employees for their dedicated services to the Company.

For and on behalf of the board of Directors  
Meliora Asset Reconstruction Company Limited

Date :01.08.2025  
Place: Visakhapatnam



A. Sisir Kumar      P. Ramakrishna Rao  
Director              Director  
(DIN: 01652759)    (DIN: 02119513)

**Annexure I**

**Disclosure of Particulars of Contracts/Arrangements entered into by the Company**  
**Form No. AOC-2**

**Particulars of contracts/arrangements made with related parties**

[Pursuant to Clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013, and Rule 8(2) of the Companies (Accounts) Rules, 2014]

This Form pertains to the disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not at arm's length basis –Nil

2. Details of material contracts or arrangement or transactions at arm's length basis

The details of material contracts or arrangement or transactions at arm's length basis for the year ended March 31, 2025 are as follows:

S No	Name(s) of the related party and nature of relationship	Nature of contracts/arrangements/transactions	Amount approved by the Board of Directors	Date(s) of approval by the Board of Directors	Date(s) of approval by the shareholders
1	M/s. Sisir & Ravi Associates, Partners of the Firm are also Promotor Directors of the Company	Resolution Agents for Ms. Subburaj Textile Mills Pvt Ltd	Professional Fee of 2.5% on recovered amount inclusive of all expenses but excluding legal expenses	22 <sup>nd</sup> Jul,2015	N.A.
	- Do -	Resolution Agents for M/s. National Lumbars	Fee of Rs. 18 lakh and applicable service tax. If recovered before	30 <sup>th</sup> Jun, 2016	N.A.



2			31.03.2017 Rs. 15,00,000 , If recovered before 31.03.2018 Rs. 10,00,000 and if recovered before 31.03.2019 Rs. 6,50,000		
3	- Do -	Resolution Agents for M/s. Pratibha Ispat Pvt Ltd	2.5% for full resolution within 9 months. 2% for >9 months and <18 months, 1.5% after 18 months	18 <sup>th</sup> Oct.2016	N.A.
4	- Do -	Resolution Agents for M/s. Reliance Celluloses Pvt Ltd	1.75% for recoveries within 12 months and 1.5% for >12 months	28 <sup>th</sup> Aug.2017	N.A.
5	- Do -	Resolution Agents for M/s. Leadage Metals Ltd.	1.75% for recoveries within 12 months and 1.5% for >12 months  An Amount of Rs 9,75,000/-paid during this year	1 <sup>st</sup> Nov.2017	N.A.
6	- Do -	Resolution Agents for M/s. Srikrishna Edu Trust	1.35% for recoveries within 12 months. 1.20% for >12 months and <24 months. 1% for >24 months.	26 <sup>th</sup> Sep.2017	N.A.
7	- Do -	Resolution Agents for M/s. Mother Mirra Estates	If recovered in <1n Yr 1.48%, <2Yrs 1.43%, <3Yrs 1.38% and >3Yrs 1.33%	13 <sup>th</sup> Mar,2019	N.A.
	- Do -	Resolution Agents for M/s.	If recovered in <1n Yr	13 <sup>th</sup> Mar,2019	N.A.



*[Handwritten signatures/initials are present below the stamp]*

8		PBR Agrotech Pvt Ltd	1.48%, <2Yrs 1.30 %, <3Yrs 1.20% and >3Yrs 1.10%		
9	-Do-	Resolution Agents for Sri Krishna Educational Trust	If recovered within one year 1.35%, 1 year to <2Yrs 1.20 %, beyond 3Yrs 1.00% Rs. 232000/- paid on ..@1% on the recovery of Rs. 232.00 lakhs	01.11.2017	NA
9	Mr Appikatla Sisir Kumar -	Rent on Registered Office Premises	Flat rent paid during normal course of work. Rs. 24588/- PM from August, 2023 to July, 2024. Rs.25,817/- from August, 2024.	N.A.	N.A.

For and on behalf of the board of Directors  
Meliora Asset Reconstruction Company Limited

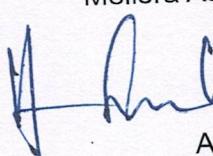
Date :01.08.2025  
Place: Visakhapatnam

  
 A. Sisir Kumar \* P. Ramakrishna Rao  
 Director Director  
 (DIN: 01652759) (DIN: 02119513)

Statement showing the details of the top ten employees in terms of remuneration drawn under Rule 5 of  
 Companies (Appointment and Remuneration of Managerial Personnel) Rules,2014

Sl . N o	Designation of the employee	Remuneration received	Nature of employment, whether contract or otherwise;	Qualifications and experience of the employee;	Date of commencement of employment;	Age of employee;	Last employment held by such employee before joining the company;	Percentage of equity held by such shares of the company;	Whether any shares held by or on behalf of the employee in the company within the meaning of clause (iii) of sub-rule(2);
1	CEO	18,00,000	Otherwise	MA,C AIIB	Mar, 2016	68	Syndicate Bank	Nil	No
2	CS	4,80,000	Otherwise	LLB ACS	Dec 2022	33		Nil	No
3	SM	4,71,500	Otherwise	B.Sc, CAIIB	Jan 2015	68	SBI	Nil	No
4	SM	6,00,000	Otherwise	MBA Finance	Aug 2016	36	ICICI Bank	Nil	No

For and on behalf of the board of Directors  
 Meliora Asset Reconstruction Company Limited

  
  
  
 A. Sisir Kumar \* R. Ramakrishna Rao  
 Director Director  
 (DIN: 01652759) (DIN: 02119513)

Date :01.08.2025  
 Place: Visakhapatnam

## Report on Corporate Governance

Your Company believes corporate governance principles are critical to enhance and retain investor trust and the company is committed for best practices of fairness, professionalism, transparency, compliances and ethical practices.

### 1. Company's Philosophy on Corporate Governance:

Company's endeavour is to maximize shareholder value. Meliora is committed to adopt best governance practices and its adherence in true spirit at all times. It has strong legacy of fair, transparent and ethical governance practices.

Company is fully compliant with the requirements of the listing regulations and applicable corporate governance norms and is committed to ensuring compliance with all modifications within the prescribed time.

### 2. Governance Structure:

**Board of Directors:** Provides strategic direction, formulates and ensures long-term business strategy, enhances shareholder value, and safeguards stakeholder interests.

**Board Committees:** Leverage specialized expertise to provide insightful recommendations, ensure effective oversight, and guide strategic direction across key operational areas.

**Management:** Implements policies, procedures, and oversees day-to-day operations, driving effective execution

### 3. Board of Directors:

The composition of the Board of Directors of the company is an appropriate combination of executive and non-executive Directors with right element of independence. As on March 31, 2025, the Company's Board comprised of five Directors, out of which three are promoter Directors. In addition, there are two independent Directors on the Board.

### 4. Number of Board Meetings:

During the Financial Year 2024-25, Four (4) meetings of the Board of Directors were held and the maximum time gap between two consecutive meetings did not exceed one hundred and twenty (120) days.



S. No.	Date(s) on which meeting(s) was held
1.	28.06.2024
2.	18.07.2024
3.	07.11.2024
4.	31.01.2025

#### 5. Attendance and directorships held:

The names and categories of the Directors on the Board, their attendance at Board meeting during the year and at last Annual General Meeting.

Name of Director	Relationship with other Directors	Category	No. of Meetings Held	No. of Meetings Attended	Whether Attended Last AGM
Mr. A. Sisir Kumar	None	Promoter-Non-Executive Director	4	4	Yes
Mr. K. Ravi Kumar	None	Promoter-Non-Executive Director	4	4	Yes
Mr. P. Ramakrishna Rao	None	Promoter-Non-Executive Director	4	4	Yes
Mr. Subbarao Gorti	None	Independent Director	4	4	Yes
Mr. M Krishna Mohan	None	Independent Director	4	4	Yes

#### 6. Committees of the Board:

The Company has Five Board-level Committees - Audit Committee, Executive Committee (Acquisitions & Resolution), Nomination & Remuneration Committee, Independent Directors Committee and Risk Management Committee.



All decisions pertaining to the constitution of Committees, appointment of members and fixing of terms of service for Committee members are taken by the Board of Directors. Details on the role and composition of these Committees, including the number of meetings held during the financial year and the related attendance, are provided below:

Name of Director	No. of Committee Meetings held During the year	No. of Committee Meetings Attended
Mr. A. Sisir Kumar	2	2
Mr. K. Ravi Kumar	2	2
Mr. P. Ramakrishna Rao	5	5
Mr. Subbarao Gorti	5	5
Mr. M Krishna Mohan	5	5

**7. Audit Committee:** The Audit Committee acts as an interface between the Statutory and Internal Auditors, the Management, and the Board. It assists the Board in fulfilling its responsibilities of monitoring financial reporting processes; reviewing the Company's established systems and processes for internal financial controls and governance; and reviews the Company's statutory and internal audit processes.

#### **A. Brief Description of Terms of Reference: -**

Overview of the Company's financial reporting process and disclosure of its financial information to ensure that the financial statements reflect a true and fair position and that sufficient and credible information is disclosed.

- (1) oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (2) recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
- (3) approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (4) Review and monitor the auditor's independence and performance, and effectiveness of audit process.
- (5) reviewing, with the management, the annual financial statements and auditor's report thereon 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 in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
- (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 judgment 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) modified opinion(s) in the draft audit report;

(6) reviewing, with the management, the quarterly financial statements before submission to the board for approval;

(7) To review the financial statements, in particular, the investments made by the unlisted subsidiary Company.

(8) reviewing, with the management, the statement of uses / application of funds raised through an issue (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 monitoring the utilisation of proceeds of a public issue or rights issue or preferential issue or qualified institutions placement], and making appropriate recommendations to the board to take up steps in this matter;

(9) To formulate the scope, functioning, periodicity and methodology for conducting the internal audit in consultation with the Internal Auditor.

(10) Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.

(11) 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.

(12) Discussion with internal auditors any significant findings and follow up there on.

(13) Reviewing the findings of any internal investigations by the internal auditors into matters 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.

(14) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.



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- (15) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- (16) To review the functioning of the Whistle Blower mechanism.
- (17) Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate.
- (18) Valuation of undertakings or assets of the Company, wherever it is necessary.
- (19) Scrutiny of inter-corporate loans and investments.
- (20) Evaluation of internal financial controls and risk management systems.
- (21) Approval or any subsequent modification of transactions of the Company with related parties
- (22) To appoint a person having such qualifications and experience and registered as a valuer in such manner, on such terms and conditions as may be prescribed and appointed by the audit Committee for valuation, if required to be made, in respect of any property, stocks, shares, debentures, securities or goodwill or any other assets or net worth of a Company or its liabilities.
- (23) To ensure proper system for storage, retrieval, display or printout of the electronic records as deemed appropriate and such records shall not be disposed of or rendered unusable, unless permitted by law provided that the back-up of the books of account and other books and papers of the Company maintained in electronic mode, including at a place outside India, if any, shall be kept in servers physically located in India on a periodic basis.
- (24) Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/advances / investments existing as on the date of coming into force of this provision.
- (25) Reviewing the compliances under SEBI (Prohibition of Insider Trading) Regulations, 2015, at least once in a financial year and verify that the systems for internal control are adequate and are operating effectively.



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(26) To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

(27) Carrying out any other function as is mentioned in the terms of reference of the Committee.

#### **B. Composition, Meetings & Attendance:**

The Audit Committee of the Company is constituted in accordance with the provisions of Section 177 of the Act. All members of the Committee are financially literate, with Mr. Subbarao Gorti, as Chairman of the Committee, having the relevant accounting and financial management expertise.

The composition of the Audit Committee and the details of the meetings attended by its members during the financial year ended 31st March 2025 are as under:

Name	Designation	Category	No of Meetings held	No of Meetings attended
Mr. Subbarao Gorti	Chairman	NED(I)	2	2
Mr. M Krishna Mohan	Member	NED(I)	2	2
Mr. Pillala Rama Krishna Rao	Member	NED(I)	2	2

The Audit Committee met 2 times during the financial year 2024-25. The dates on which the Audit Committee Meetings held were: 28th June, 2024 and 31<sup>st</sup> June, 2025. Requisite quorum was present at the above Meetings.

All the recommendations of the Audit Committee have been accepted by the Board of Directors.

#### **8. Nomination and Remuneration Committee:**

The Nomination and Remuneration Committee ('NRC') functions in accordance with Section 178 of the Act and its Charter adopted by the Board.

The NRC is vested with all the necessary powers, authority to identify persons who are qualified to become Directors, Key Managerial Personnel and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal, and shall carry out evaluation of every Director's performance.



**A. Terms of Reference :** The terms of reference of the Nomination & Remuneration Committee, inter alia, includes the following:

- a. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- b. Formulation of criteria for evaluation of performance of independent directors and the Board;
- c. Identifying persons who are qualified to become directors of the Company and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The Company shall disclose the remuneration policy and the evaluation criteria in its annual report;
- d. Analysing, monitoring and reviewing various human resource and compensation matters, including the compensation strategy;
- e. Determining the Company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment.
- f. Recommending the remuneration, in whatever form, payable to non-executive directors and the senior management personnel and other staff (as deemed necessary);
- g. Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- h. Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
- i. Performing such other activities as may be delegated by the Board of Directors and/ or are statutorily prescribed under any law to be attended by the Nomination and Remuneration Committee; and

**The Nomination and Remuneration Committee, while formulating the above policy, should ensure that:**

- (i) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
- (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and



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(iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay, reflecting the short- and long-term performance objectives appropriate to the working of the Company and its goals

#### **B. Composition of the committee, meetings and attendance during the year:**

There were One Nomination and Remuneration Committee Meetings held during the financial year 2024-25 on 28th June, 2024.

Name	Designation	Category	No of Meetings held	No of Meetings attended
Mr. Subbarao Gorti	Chairman	NED(I)	1	1
Mr. M Krishna Mohan	Member	NED(I)	1	1
Mr. Pillala Rama Krishna Rao	Member	NED(I)	1	1

#### **9. Executive Committee Meeting (Acquisition & Resolution):**

The existing Executive Committee (Acquisition & Resolution) comprises of 5 Directors out of which 2 are independent. In the financial year 2024-25, 2 meetings of the Committee were held on 14.08.2024 and 16.10.2024. Composition of committees and member's attendance at the meetings during the year are as under:

Name	Designation	Category	No of Meetings held	No of Meetings attended
Mr M Krishna Mohan	Chairperson	NED(I)	2	2
Mr Subbarao Gorti	Member	NED(I)	2	2
Mr P Rama Krishna Rao	Member	NED(N)	2	2
Mr A Sisir Kumar	Member	NED(N)	2	2
Mr Korada Ravi Kumar	Member	NED(N)	2	2

#### **10. Performance Evaluation of Board, Committees and Directors:**

Pursuant to provisions of the Companies Act, 2013 an annual Board effectiveness evaluation was conducted for FY 2024-25 on January 31, 2025, involving the following:





- a. Evaluation of IDs, in their absence, by the entire Board was undertaken, based on their performance and fulfilment of the independence criteria prescribed under the Act; and
- b. Evaluation of the Board of Directors, its committees and individual Directors, including the role of the Board Chairman.

An IDs' meeting, in accordance with the provisions of Section 149(8) read with Schedule IV of the companies Act, 2013 and was convened on February 4th, 2025, mainly to review the performance of Independent Directors and the Chairman & Managing

Director as also the Board as a whole. All IDs were present at the said meeting

**(i) Board:** Composition, responsibilities, stakeholder value and responsibility, Board development, diversity, governance, leadership, directions, strategic input, etc

**(ii) Executive Directors:** Skill, knowledge, performance, compliances, ethical standards, risk mitigation, sus

**(ii) Non Executive Directors:** tainability, strategy formulation and execution, financial planning & performance, managing human relations, appropriate succession plan, external relations including CSR, community involvement and image building, etc

**(iii)Independent Directors:** Participation, managing relationship, ethics and integrity, Objectivity, brining independent judgement, time devotion, protecting interest of minority shareholders, domain knowledge contribution, etc

**(iv)Chairman:** Managing relationships, commitment, leadership effectiveness, promotion of training and development of directors etc.

**(v) Committees:** Terms of reference, participation of members, responsibility delegated, functions and duties, objectives alignment with company strategy, composition of committee, committee meetings and procedures, management relations.

## **11. Declaration by Independent Directors:**

All the Independent Directors have confirmed that they meet the criteria of independence as mentioned under Section 149(6) of the Act.

## **12. Information supplied to the Board:**

The Board has complete access to all information of the Company and is regularly provided advanced detailed information as a part of the agenda papers or is tabled therein. In



addition, detailed quarterly performance report by the CEO is presented in the quarterly Board meeting, encompassing all facets of the Company's operations during the quarter, including update of key projects, outlook and matters relating to environment, health & safety, corporate social responsibility etc., The following information is provided to the Board as a part of the agenda papers:

- Annual and Quarterly financial statements for the Company and the Accounting Policy.
- Minutes of the meetings of the Audit Committee and other Committees of the Board.
- Annual business plan
- Information on recruitment and remuneration of senior officers just below the level of Board, including the appointment or removal of Chief Financial Officer and Company Secretary, whenever required.
- Expansion projects and its status monitoring.
- Fatal or serious accidents, injuries or any material environmental problems, if any
- Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company, if any
- Significant labour problems and their proposed solutions, whenever necessary
- Any significant development in human resources / industrial relations including long-term wage agreement, major voluntary retirement scheme, etc.
- Quarterly details of foreign exchange exposures and the steps taken by the management to limit the risks of adverse exchange rate movement, if material Quarterly disclosure of all the investments made.
- Material non-compliance of any regulatory, statutory nature or listing requirements and shareholders service, such as non-payment of dividend, delay in share transfer and others, if any
- Quarterly review of compliance status under various laws applicable to the Company.
- Substantial non-payment of goods sold by the Company except disputes
- Related Party Transactions, if they are not at arm's length and in the ordinary course of business
- Half-yearly summary of bank guarantees issued.
- All other matters required to be placed before the Board for its review / information / approval under the statutes, including RBI Act 1934.



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**13. Remuneration to Directors Paid During the Financial Year 2024-25 and Other Disclosures:**

The Company does not have any Executive Director during the financial year. The Non-Executive Directors are paid remuneration by way of Sitting Fees. The Non-Executive Directors are paid sitting fees for each meeting of the Board and Committees attended by them.

Name of the Director	Salary (Rs )	Sitting fees(Rs)	Number of shares held	Service Contracts	Stock Options Details	Fixed Component	Performance Based Incentive
Mr. A. Sisir Kumar	--	--	34,52,926	--	--	--	--
Mr. K. Ravi Kumar	--	--	6,00,000	--	--	--	--
Mr.P. Ramakrishna Rao	--	--	35,47,894	--	--	--	--
Mr M Krishna Mohan	--	1,80,000	--	--	--	--	--
Mr Subbarao Gorti	--	1,80,000	--	--	--	--	--





**Declaration From Independent Directors on Annual Basis**

The Board of Directors  
M/s. Meliora Asset Reconstruction Company Limited

Dear Sir,

I undertake to comply with the conditions laid down under section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

- (a) I declare that upto the date of this certificate, apart from receiving director's remuneration, I did not have any material pecuniary relationship or transactions with the Company, its promoter, its directors, senior management or its holding Company, its subsidiary and associates as named in the Annexure thereto which may affect my independence as director on the Board of the Company. I further declare that I will not enter into any such relationship/transactions. However, if and when I intend to enter into such relationships/transactions, whether material or non-material I shall keep prior approval of the Board. I agree that I shall cease to be an independent director from the date of entering into such relationship/transaction.
- (b) I declare that I am not related to promoters or persons occupying management positions at the Board level or at one level below the board and also have not been executive of the Company in the immediately preceding three financial years.
- (c) I was not a partner or an executive or was also not partner or executive during the preceding three years, of any of the following:
  - (i) the statutory audit firm or the internal audit firm that is associated with the Company and
  - (ii) the legal firm(s) and consulting firm(s) that have a material association with the company
- (d) I have not been a material suppliers, service provider or customer or lessor or lessee of the company, which may affect independence of the director, and was not a substantial shareholder of the Company i.e., owning two percent or more of the block of voting shares.

Thanking You.  
Yours Faithfully,

Date:05.04.2025  
Place: Visakhapatnam

Subbarao Gorti  
Director (DIN: 10659867)

## **DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS**

The Board of Directors  
M/s. Meliora Asset Reconstruction Company Limited

Dear Sir,

I undertake to comply with the conditions laid down under section 149 and Schedule IV of the Companies Act, 2013 in relation to conditions of independence and in particular:

- (e) I declare that upto the date of this certificate, apart from receiving director's remuneration, I did not have any material pecuniary relationship or transactions with the Company, its promoter, its directors, senior management or its holding Company, its subsidiary and associates as named in the Annexure thereto which may affect my independence as director on the Board of the Company. I further declare that I will not enter into any such relationship/transactions. However, if and when I intend to enter into such relationships/transactions, whether material or non-material I shall keep prior approval of the Board. I agree that I shall cease to be an independent director from the date of entering into such relationship/transaction.
- (f) I declare that I am not related to promoters or persons occupying management positions at the Board level or at one level below the board and also have not been executive of the Company in the immediately preceding three financial years.
- (g) I was not a partner or an executive or was also not partner or executive during the preceding three years, of any of the following:
  - (iii) the statutory audit firm or the internal audit firm that is associated with the Company and
  - (iv) the legal firm(s) and consulting firm(s) that have a material association with the company
- (h) I have not been a material suppliers, service provider or customer or lessor or lessee of the company, which may affect independence of the director, and was not a substantial shareholder of the Company i.e., owning two percent or more of the block of voting shares.

Thanking You.  
Yours Faithfully,

Date:05.04.2025  
Place: Visakhapatnam

K. Krishna Mohan  
Director (DIN: 06782097)