

MELIORA ASSET RECONSTRUCTION COMPANY LIMITED

6TH ANNUAL REPORT

2017-2018

CORPORATE INFORMATION

BOARD OF DIRECTORS:

Ms.HomaiDaruwalla	-	Chairperson (DIN: 00365880)
Mr.RamachandranRajaraman	-	Independent Director (DIN: 01953653)
Mr. Prasad Kuchibhatla	-	Independent Director (DIN: 02255028)
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)
Mr.LakshminarayanaBolisetty	-	CEO & CFO (PAN: AADPB1566F)

COMPANY SECRETARY

Mr. P S R Swami	-	Company Secretary (PAN: AJMPP8791L)
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REGISTERED OFFICE:

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

CORPORATE OFFICE:

503, Mayfair Gardens,
Road No.12, Banjara Hills,
Hyderabad 500034.
040-23375444

STATUTORY AUDITORS:

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

INTERNAL AUDITOR:

M/s. Padmanaban& Associates,
308, Aalto 's A& M Trade Center,
3-6-561/1, Himayat Nagar Main Road,
Hyderabad -500029

AUDIT COMMITTEE :

Mr.R. Ramachandran	-	Chairman
Mr.Kuchibhatla Prasad	-	Member
Ms.H.A.Daruwalla	-	Member
Mr.Pillala Rama Krishna Rao	-	Member

NOMINATION & REMUNERATION COMMITTEE:

Mr.R. Ramachandran	-	Chairman
Mr.Kuchibhatla Prasad	-	Member
Ms.H.A.Daruwalla	-	Member
Mr.Pillala Rama Krishna Rao	-	Member

EXECUTIVE COMMITTEE: (ACQUISITIONS)

Mr.Pillala Rama Krishna Rao	-	Chairman
Mr.RRamachandran	-	Member
Mr.AppikatlaSisir Kumar	-	Member

EXECUTIVE COMMITTEE (RESOLUTIONS):

Mr.R.Ramachandran	-	Chairman
Mr.Pillala Ramakrishna Rao	-	Member

RISK MANAGEMENT COMMITTEE:

Mr.R.Ramachandran	-	Chairman
Mr.Kuchibhatla Prasad	-	Member
Ms. H A Daruwalla	-	Member
Mr.ASisir Kumar	-	Member

WEBSITE:

www.meliora.com

CORPORATE IDENTITY NUMBER:

U65923AP2012PLC084298

BANKERS:

HDCF Bank
Andhra Bank
Punjab National Bank
State Bank of India

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Sixth Annual General Meeting (AGM) of the members of **MELIORA ASSET RECONSTRUCTION COMPANY LIMITED** will be held on Monday, the 17th day of September, 2018 at 10:30 A.M at The Park Hotel, Beach Road, Lawsons Bay Colony, Pedda Waltair, Visakhapatnam, Andhra Pradesh- 530023. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements such as Audited Balance Sheet as on 31st March, 2018 and the Statement of Profit and Loss for the year ended as on that date together with the Cash Flow Statement and the schedules thereto along with the reports of the Directors' and Auditors' thereon.
2. To approve the dividend paid to 9% Compulsorily Convertible Cumulative Preference Shares ("CCCPS") for the financial year ended on 31st March 2018.
3. To appoint a Director in place of Mr. P. Ramakrishna Rao, who retires by rotation and being eligible, offers himself for re-appointment.
4. To ratify the appointment of M/s. JRS & Associates., as Statutory Auditors and to fix their remuneration and for the purpose to consider and if, thought fit, to pass with or without modification(s), the following Ordinary Resolution thereof:

"RESOLVED THAT pursuant to the provisions of Section 139 and 142 of the Companies Act, 2013 and rules made there under as amended from time to time, pursuant to recommendation of Audit Committee, and pursuant to the resolution passed by the Members at the Annual General Meeting (AGM) held on September 22, 2016, the appointment of M/s. JRS & Associates (Firm Registration No. 011778S) as Statutory Auditors of the Company to hold office till the conclusion of the AGM to be held in the year 2021 be and is hereby ratified and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending March 31, 2019 as determined by the Audit Committee."

**By order of the Board
For Meliora Asset Reconstruction Company Limited**

**Date: 12.06.2018
Place: Visakhapatnam**

**Sd/-
P S R SWAMI
Company Secretary
Mem No: F2057**

NOTES:

1. A Member entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote instead of himself/herself and the proxy need not be a Member of the Company.
2. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's registered Office, duly completed and signed, not less than **FORTY-EIGHT HOURS** before the meeting.
3. Members/Proxies attending the meeting are requested to bring duly filled attendance slips sent herewith to attend the meeting.
4. As a measure of austerity, copies of the annual report will not be distributed at the Annual General Meeting. Members are therefore, requested to bring their copies of the Annual Report to the Meeting.
5. Queries proposed to be raised at Annual General Meeting may be sent to the Company at its registered office or at ceo@melioraarc.com at least seven days prior to the date of AGM to enable the management to compile the relevant information to reply the query in the meeting.
6. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board Resolution authorizing the representatives to attend and vote at the Annual General Meeting.
7. Members are requested to notify any change in their address/ mandate/ bank details immediately to the Company at its Registered Office.
8. All documents referred to in the accompanying Notice shall be open for inspection at the registered office of the Company at all working days except Saturdays between 11 a.m. to 2 p.m. up to the date of Annual General Meeting.
9. Members may also note that the Notice of the 6th Annual General Meeting and the Annual report for the financial period ended on March 31, 2018 will also be available on the Company's website <http://www.melioraarc.com> for their download. The physical copies of the aforesaid documents will also be available at the Company's registered office.

DIRECTORS' REPORT FOR THE FINANCIAL YEAR 2017-18

To,
The Members,
Meliora Asset Reconstruction Company Limited,

Your Directors have pleasure in presenting their 6th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended 31st March, 2018.

1. Key Financial highlights/performance of the company:

The financial performance of the Company for the year ended 31st March, 2018 is summarized below:

(Amount in Rupees)

Particulars	31 st March, 2018	31 st March, 2017
Revenue from Operations	3,51,86,027	2,03,94,272
Other income	1,44,54,458	1,38,04,763
Total income	4,96,40,485	3,41,99,035
Expenditure	1,23,51,440	1,37,65,787
Profit before depreciation & Finance Cost	3,72,89,045	2,04,33,248
Less: Depreciation	4,14,466	2,38,728
Less: Finance cost	67,81,303	21,82,203
Profit before Tax	3,00,93,276	1,80,12,317
Less: Tax Expenses	82,58,387	72,42,462
Profit after Tax	2,17,14,889	1,07,69,855
Profit brought forward from earlier year	1,17,03,450	61,38,461
Proposed Dividend on CCCPS	72,22,500	43,24,500
Dividend Tax	14,70,328	8,80,367
Profit transferred to Reserves	2,49,61,141	1,17,03,450

2. State of Company's Affairs:

The operational performance of the Company in the year under review is as follows:

3. Operating performance:

Acquisitions:

The Company has acquired financial assets with an acquisition cost of Rs. 5,011 Lakhs (with total book balance of Rs. 5,940 Lakhs) from various selling banks and financial institutions. Since commencement of business, the company's total acquisitions have crossed Rs. 17,128 Lakhs at

acquisition cost, (Total dues of approx. Rs.32,561 Lakhs). The acquisitions, comprising financial assets of 28 borrowers' accounts are covering diverse sectors.

Resolution:

Total recoveries during the year amounted to Rs. 2,001 Lakhs as against Rs. 2,104 Lakhs during the preceding year. Even in the face of prolonged litigation and unwillingness to settle dues by some the borrowers, the concerted efforts of the Resolution Team of your company brought some good results.

The strong and appropriate recovery measures adopted by your company ensures that the average resolution period is much shorter than the industry average. During the current year also, your company has been able to maintain such resolution performance.

Outlook & Strategy:

The financial year under report reflected continuing rise in NPAs in the banking system, on the one hand, and declining sales of such NPAs to ARCs, on the other hand. The reasons for such a situation are not difficult to seek. Some of the important and critical factors hindering sales to ARCs are: -

- (i) Even in the backdrop of rising NPAs many banks are slow in sale of NPAs.
- (ii) Absence of well laid down standard process for arriving at the reserve price for sale of Assets to ARCs.
- (iii) Wide gap the price expected by selling banks and ARCs.

Your company has put in place strong system in screening the accounts offered for sale and has been cherry picking the assets. The Acquisition team short lists the assets and after due process of Risk rating, accounts are bid for acquisition from the selling Banks/ Financial institutions thereby mitigating the risks and spreading the risk across mid size assets.

The business of ARCs is capital intensive and the markets are moving towards full cash basis purchases. Foreign institutions engaged in distressed asset business are keen to enter the Indian market and provide funds by investing through FDI route in the equity of ARCs and as FII in Trust Fund; they, however, need relaxation in the present limits for such investments to be able to actively participate in running the business of investee companies instead of remaining as a passive investor. The proposal for such relaxation is already under examination by RBI and the Government and once the limits are revised upwards, we anticipate money flowing in the system from such international entities. Additionally, the definition of QIBs needs to be broadened to widen the domestic market for raising funds by ARCs. On their part, ARCs and banks should work together to revive SR structure as mode for sale transactions -- it should not be difficult as long as SRs are issued on the basis of realistic recovery estimates and ARCs redeem their SRs.

4. 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, 9% Compulsory convertible cumulative preference shares of Rs. 10/- each. The company's paid up capital is **Rs.28,65,30,000/-** divided into 2,06,28,000 equity shares of Rs. 10/- each and 80,25,000, 9% Compulsory convertible cumulative preference shares of Rs. 10/- each.

5. Reserves:

The Reserves as at the end of 31 March 2018 were **Rs 4,87,33,489/-**. The Company has not transferred any amount to its General Reserves during the period under review.

6. Dividend:

Your Company has paid a dividend to 80,25,000 9% Compulsory Convertible Cumulative Preference Shareholders of face value of Rs. 10/- whose names appear as on 31 March 2018 as per the Register of Members. The Board of Directors has approved for this payment at their meeting held on 24 April 2018 out of the profits of the Company for the year 2017-18. The total outflow was amounting to Rs.86,92,828 (including dividend distribution tax of Rs.14,70,328).

In order to conserve the resources, no Dividend has been proposed on equity shares.

7. 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**.

8. Meetings:

The Board of Directors met five (5) times during the previous financial year. As on March 31, 2018, the Board has six committees, namely, the Audit Committee, the Risk Management Committee, Independent Directors Committee, the Nomination & Remuneration Committee, the Executive Committee (Resolution) and the Executive Committee (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 2017-18 and attendance of the Directors at each meeting is provided in the Report on Corporate Governance, which forms part of this Report.

9. Details of subsidiary/joint ventures/associate companies:

Your Company does not have any wholly owned Subsidiary Companies/ Joint Ventures/ or Associate Companies.

10. Deposits:

During the year under review, your Company has neither accepted any deposits covered under Chapter V of the Companies Act 2013 nor accepted deposits which are not in compliance with the requirements of Chapter V. There are no outstanding deposits as at the end of the year.

11. Significant and Material Orders passed by the Regulators or Courts or Tribunals.

There are no material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operations in future.

12. 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 2017-18 and to the date of signing of Directors' Report.

13. Change in the nature of business, if any:

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

14. Events subsequent to the date of financial statements:

There were no material changes and commitments affecting financial position of the company between 31stMarch, 2018 and the date of Board's Report. (I.e. 12/06/2018)

15. Adequacy of Internal Financial Statements

The Company has in place adequate financial controls to ensure the orderly and efficient conduct of its business.

16. 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 2018, which attracts the provisions of Section 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014.

17. Risk management:

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

18. Corporate Social Responsibility: (CSR):

Your Company does not meet the criteria of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules 2014 and hence the Rules relating to CSR are not applicable. Therefore Your Company has not constituted Corporate Social Responsibility Committee.

19. Particulars of contracts or arrangements with related parties:

Company has transactions with related parties entered into during the financial year and are also continuing from previous Financial Years. However, all those were entered in the ordinary course of business and are at arm's length transactions. Therefore, obtaining consent of the shareholders under Section 188 does not arise.

The particulars of contracts or arrangements with related parties referred to in sub-section (1) of Section 188 is prepared in Form No. AOC-2 pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 and the same are enclosed as **ANNEXURE-II** to this Report.

20. Disclosure about cost audit:

Cost Audit is not applicable for the financial year 2017-18.

21. Conservation of energy, technology absorption and foreign exchange earnings and outgo:

Your Company has no activity relating to conservation of energy, technology absorption, foreign exchange earnings and outgo and the disclosures required as under section 134 (3)) (m) read with Rule 8(3) of Companies (Accounts) Rule,2014.

22. Independent Directors and Declaration of Independency by Independent Directors:

Mr. Ramachandran Rajaraman, Mr Prasad Kuchibhatla and Ms Homai Daruwalla were re-designated as independent directors of the Company as per Section 149(10) of the Companies Act, 2013 for a term of five consecutive years on the Board of the Company with effect from 29-1-2016.

Your Company has received necessary declaration from the Independent Directors under Section 149(7) of the Companies Act, 2013 that they meet the criteria of Independence laid down in Section 149(6) of the Act.

23. Statement showing details of employees:

Your Directors are pleased to record their sincere appreciation of the 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.

24. Directors' responsibility statement:

Pursuant to the requirement under Section 134 of the Companies Act, 2013, with respect to the Directors' Responsibility Statement, the Board of Directors of the Company hereby confirms:

- a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 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 the company at the end of the financial year and of the profit and loss of the company for that period;
- c) The directors have 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 have prepared the annual accounts on a going concern basis; and
- e) directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

25. Extract of the Annual Return:

In terms of provisions of Section 92, 134(3)(a) of the Companies Act, 2013 read with Rule 12 of Companies (Management and Administration) Rules, 2014, the extract of Annual Return of the Company in form MGT-9 is annexed herewith as **Annexure-III** to this report.

26. Directors and key managerial personnel:

There has been no change in the constitution of the Board during the financial year under review.

In accordance with the provisions of Section 152 of the Companies Act, 2013, Mr. P. Ramakrishna Rao, Director of the Company who retires by rotation and being eligible, has offered himself for re-appointment. The Board recommends for his re-appointment.

27. Statutory Auditors:

At the Annual General Meeting held on 22nd September, 2016, M/s. JRS & Associates, Chartered Accountants, (Firm Regd. No. 011778S) were appointed as statutory auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the calendar year 2021. In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s JRS & Associates, Chartered Accountants, as statutory auditors of the Company, is placed for ratification by the shareholders at the Annual General Meeting.

28. Internal Auditors and Internal Financial Control:

In terms of Section 138 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, the Company has appointed M/s. Padmanaban & Associates, Chartered Accountants, Hyderabad (Firm Reg No.022669) as the Internal Auditor of the Company. There are no reportable material weakness in the design or operations were observed.

29. Internal Audit Framework:

The Company has in place an internal audit framework to monitor the efficacy of internal controls with the purpose of providing to the Board of Directors, an independent, objective and reasonable assurance on the adequacy and effectiveness of the organization's risk management, control and governance processes.

During the year, M/s. Padmanaban & Associates, continued as the Internal Auditors of the Company. The audit scope and plans of internal audit are approved by the Board every year.

The Internal Audit Process followed by the Company is as follows:

- To ensure all the payments/ transactions are in compliance with the Board or EC permission. That means the auditor verifies if the rent payments, salary payments, or any other payments have been made as per the powers delegated or as permitted by the Board or EC. He will also verify if capital expenditure is also properly authorized by respective authority and also verify whether all costs directly or indirectly related to the assets have duly been capitalized and properly accounted for.
- The payments for purchase of financial assets by Company are duly authorized. He will verify if purchase of financial assets have been approved by CEO or EC as the case may be and all terms and conditions related to the said transactions have duly been complied with.
- The receipts under OTS are approved by EC or Board (this is as per our internal procedure) and all necessary formalities and terms and conditions have been duly completed or not.
- Audit reports are submitted at quarterly frequency. However, any serious observations are reported immediately. All the reports are submitted directly to the Board.
- Verify if all the assignment deeds are duly registered and that ROC charge is created within the stipulated time as per Companies Act. CERSAI charge created is also to be verified.
- He will have an overview of the transactions and will make comments/ if any suspicious transactions/ business if taken place.
- Identify control procedures used to ensure each key transaction type is properly controlled and monitored.
- Develop and execute a risk-based sampling and testing approach to determine whether the key controls are operating as intended.
- The audit findings are used as a key input in the risk management process and all the key risks of the Company are mapped to the audit processes to ensure a risk- based audit approach.
- The internal audit activity is monitored on an ongoing basis by the Audit Committee of the Board.

30. Auditors' Report:

The Board has duly reviewed the Statutory Auditor's Report on the Accounts for the year ended March 31, 2018 and has noted that the same does not have any reservation, qualification or adverse remarks.

31. Transfer of unclaimed dividend to Investor Education & Protection Fund:

The provisions of Section 125(2) of the Companies Act, 2013, do not apply as there was no dividend unpaid last year.

32. 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.

33. Secretarial Standards:

The company is in compliance with Secretarial Standards issued by The Institute of Company Secretaries of India on Meetings of the Board of Directors and General Meetings.

34. 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.

35. 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.

36. Event based disclosures:

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

- a. **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.

- b. **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.
- c. **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.
- d. **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.
- e. **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.
- f. **Buy back shares:** The Company did not buy-back any shares during the period under review.
- g. **Disclosure about revision:** Since the company did not undergo any revision, this clause is Not Applicable to the company for the period under review.

37. 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: 12.06.2018
Place: Vishakhapatnam

Sd/-
Korada Ravi Kumar
Director (DIN: 01672360)

Sd/-
Pillala Ramakrishna Rao
Director (DIN: 02119513)

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED ON MARCH 31, 2018**1. Company's philosophy con 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.

The Company believes that sound corporate governance practices lead to enhancing investors' confidence and thus ensuring long-term success. The Company strives for excellence with the twin objective of enhancing customer satisfaction and stake holders' value. The Company strongly believes that sound corporate governance practices leads to the fulfilment of its goals and attainment of its objectives in a manner that adds value to its image, is beneficial for all the stakeholders in the long run and enhances its ability to secure their confidence. Good Corporate Governance starts at the top and continues down the line consistently. The Board of Directors and the Management take appropriate decisions and guide the Bank in achieving the highest standards of excellence. The basic philosophy of the Company towards corporate governance is to protect and enhance the long- term value of all its stakeholders' viz. shareholders, creditors, employees, and to demonstrate that the shareholders are the ultimate beneficiaries of our economic activity, besides meeting compliance standards of Regulatory Authorities.

2. Board directors:

As on March 31, 2018, Board of Directors comprised of 6 Directors. Their position on the Board as Independent Director or otherwise is indicated below:

S.No.	Name of the Directors	Designation	Category
1.	Ms. Homai Daruwalla	Director	Independent
2.	Mr. Sisir Kumar Appikatla	Director	Promoter
3.	Mr. Ravi Kumar Korada	Director	Promoter
4.	Mr. Ramachandran Rajaraman	Director	Independent
5.	Mr. Pillala Ramakrishna Rao	Director	Promoter
6.	Mr. Prasad Kuchibhatla	Director	Independent

3. Number of Board Meetings:

The Board of Directors met five (5) times during the financial year, on 08.05.2017, 28.08.2017, 02.11.2017, 16.02.2018 and 10.03.2018. The maximum time gap between any two meetings was less than four months. The agenda for each meeting is prepared well in advance, along with explanatory notes wherever required and

distributed to all Directors. The details of the number of the meetings and the dates on which the Board meetings were held are summarized as below.

ATTENDANCE AND DIRECTORSHIPS HELD:								
Name of Director	Relationship with other Directors	Category	No. of Meetings Held	No. of Meetings Attended	Whether Attended Last ANNUAL GENERAL MEETING	No. of Outside Directors of Public Companies	No. of Committee Memberships	No. of Committee Chairmanships
Ms.Homai Daruwalla	None	ID&NED	5	5	No	8	9	5
Mr. Prasad Kuchibhatla	None	ID&NED	5	5	No	2	--	--
Mr.Ramachandran Rajaraman	None	ID&NED	5	5	No	1	--	--
Mr.Sisir Kumar Appikatla	None	NED (N)	5	5	Yes	1	--	--
Mr. Ravi Kumar Korada	None	NED (N)	5	5	Yes	--	--	--
Mr.Pillala Ramakrishna Rao	None	NED(N)	5	5	Yes	--	--	--

4. Committees of the Board:

The Company has Six Board-level Committees - Audit Committee, Executive Committee (Resolutions), Executive Committee (Acquisitions), 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:

A) Audit Committee:

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.

- Recommending the appointment and removal of external auditors, fixation of audit fee and also approval for payment for any other services.
- Discussion with external auditors before the audit commences, of the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Reviewing the financial statements and draft audit report including quarterly / half yearly financial information.
- Reviewing with management the annual financial statements before submission to the Board, focusing on:
 - a) Any changes in accounting policies and practices;
 - b) Qualification in draft audit report;
 - c) Significant adjustments arising out of audit;
 - d) The going concern concept;
 - e) Compliance with accounting standards;
 - f) Compliance with stock exchange and legal requirements concerning financial statements and
 - g) Any related party transactions
- Reviewing the company's financial and risk management's policies.
- Disclosure of contingent liabilities.
- Reviewing with management, external and internal auditors, the adequacy of internal control systems.
- Reviewing the adequacy of internal audit function, including the audit character, the structure of the internal audit department, approval of the audit plan and its execution, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.

- Discussion with internal auditors of any significant findings and follow-up thereon.
- Reviewing the findings of any internal investigations by the internal auditors into the 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.

During the year, the Audit Committee met 3 times i.e. on 8th May, 2017, 28th August, 2017 and 10th March, 2018 to deliberate on various matters. The attendance of each Audit Committee members is as follows:

Name	Designation	Category	No of Meetings held	No of Meetings attended
Mr.R.Ramachandran	Chairman	NED(I)	3	3
Mr.Kuchibhatla Prasad	Member	NED(I)	3	3
Ms. Homai Daruwalla	Member	NED(I)	3	3
Mr.P.Ramakrishna Rao	Member	NED(N)	3	3

NED (I): Non-Executive Independent Director

NED (N): Non-Executive Non-Independent Director

B) Nomination and Remuneration Committee:

The Committee comprises of three non-executive independent Directors.

- To approve the fixation/revision of remuneration of Directors of the Company and while approving:
- To take into account the financial position of the Company, trend in the industry, appointee's qualification, experience, past performance, past remuneration etc.
- To bring out objectivity in determining the remuneration package while striking a balance between the interest of the Company and the Shareholders.
- To identify persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and /or removal.
- To carry out evaluation of every Director's performance.

- To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.
- To formulate the criteria for evaluation of Independent Directors and the Board.
- To recommend/review remuneration of the Directors based on their performance and defined assessment criteria.

The Committee met on 08th May, 2017. The attendance of the members is as follows:

Name	Designation	Category	No of Meetings held	No of Meetings attended
Mr. R. Ramachandran	Chairman	NED(I)	1	1
Mr. Kuchibhatla Prasad	Member	NED(I)	1	1
Ms. Homai Daruwalla	Member	NED(I)	1	1
Mr. P. Rama Krishna Rao,	Member	NED(N)	1	1

NED (I): Non-Executive Independent Director

NED (N): Non-Executive Non-Independent Director

C) Risk Management Committee:

Risk Management Division headed/is constituted to carry out the responsibility to assist the Board in accordance with the provisions of section 134(3)(n) of the Companies Act,2013.

- a) Overseeing and approving the Company's enterprise wide risk management framework;
- b) Framing of Risk Management Plan and Policy.
- c) Monitoring of Risk Management Plan and Policy.
- d) Validating the process of risk management.
- e) Validating the procedure for Risk minimization.
- f) Periodically reviewing and evaluating the Risk Management Policy and practices with respect to risk assessment and risk management processes.
- g) Continually obtaining reasonable assurance from management that are known and emerging risks have been identified and mitigated or managed.

h) Overseeing that all the risks that the organization faces such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory and reputational. Other risks have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks.

There was one (1) Risk Management Committee Meeting held during the year on 28.08.2017. The attendance of the members is as follows:

Name	Designation	Category	No Meetings held	of	No Meetings attended	of
Mr. Kuchibhatla Prasad	Chairman	NED(I)	1		1	
Mr. R. Ramachandran	Member	NED(I)	1		1	
Ms. Homai Daruwalla	Member	NED(I)	1		1	
Mr. A Sisir Kumar	Member	NED(N)	1		1	

NED (I): Non-Executive Independent Director

NED (N): Non-Executive Non-Independent Director

D) Executive Committee Meeting (Resolution):

The Committee met five (5) times during the year on 8th May, 2017, 28th August, 2017, 26th September, 2017, 02nd November, 2017 and 16th February 2018. The composition and attendance of the members are as follows:

Name	Designation	Category	No Meetings held	of	No Meetings attended	of
Mr.R. Ramachandran	Chairman	NED(I)	5		5	
Mr. P. Ramakrishna Rao	Member	NED(N)	5		5	

E) Executive Committee Meeting (Acquisition):

The Committee met 3 times during the year on 8th May, 2017, 28th August, 2017, 02nd November, 2017 and 16th February 2018. The composition and attendance of the members are as follows

Name	Designation	Category	No of Meetings held	No of Meetings attended
Mr. P. Ramakrishna Rao	Chairman	NED(N)	4	4
Mr. A Sisir Kumar	Member	NED(N)	4	4
Mr. R Ramachandran	Member	NED(I)	4	4

F) Independent Directors' Committee Meeting:

As per clause 7 of the schedule IV of the Companies Act (Code for Independent Directors), a separate meeting of the Independent Directors of the Company (without the attendance of Non-Independent directors) was held on 10.03.2018, to discuss:

1. Evaluation of the performance of Non-Independent Directors and the Board of Directors as whole;
2. Evaluation of the quality, content and timelines of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

All the Independent Directors of the Company were present at the meeting. The company regularly appraises the Independent Directors their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company etc.,

The Committee met on 10th March, 2018. The composition and attendance of the members is as follows:

Name of the Member	No. of Meeting		Category
	Held	Attended	
Ms. Homai Daruwalla	1	1	Independent Director
Mr. Kuchibhatla Prasad	1	1	Independent Director
Mr. R Ramachandran	1	1	Independent Director

5. Remuneration Policy:

The objectives of the remuneration policy are to motivate Directors to excel in their performance, recognize their contribution and retain talent in the organization and reward merit. The remuneration levels are governed by industry pattern, qualifications and experience of the Directors, responsibilities shouldered and individual performance.

A. Policy for Selection of Directors and Determining Directors' Independence:

1. Scope:

This policy sets out the guiding principles for the Nomination & Remuneration Committee for identifying persons who are qualified to become Directors and to determine the independence of Directors, in case of their appointment as independent Directors of the Company.

2. Terms and References:

- 2.1 “Director” means a director appointed to the Board of a Company.
- 2.2 “Nomination and Remuneration Committee means the committee constituted in accordance with the provisions of Section 178 of the Companies Act, 2013.
- 2.3 “Independent Director” means a director referred to in sub-section (6) of Section 149 of the Companies Act, 2013.

Remuneration policy for Directors, key managerial personnel and other employees:

3. Scope:

- 3.1. This policy sets out the guiding principles for the Nomination and Remuneration committee for recommending to the Board the remuneration of the directors, key managerial personnel and other employees of the company.

4. Terms and Reference: In this policy the following terms shall have the following meanings:

- 4.1 “Director” means a director appointed to the Board of the company.
- 4.2 “key managerial personnel” means the :
- Chief Executive Office or the managing director or the manager;
 - Company secretary;
 - Whole-time director;
 - Chief finance Officer; and
 - Such other office as may be prescribed under the companies Act, 2013

B. Remuneration to Directors Paid During the Financial Year 2017-18 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 Committee of Directors attended by them.

Name of the Director	Salary (Rs)	Sitting fees(Rs)	Number of shares held	Service Contracts	Stock Option Details	Fixed Component	Performance Based Incentive
Ms.Homai	--	2,45,000	--	--	--	--	--

Daruwalla							
Mr.Sisir Kumar Appikatla	--	--	33,11,360	--	--	--	--
Mr. Ravi Kumar Korada	--	--	33,11,360	--	--	--	--
Mr. Ramachandran Rajaraman	--	3,35,000	--	--	--	--	--
Mr.Pillala Ramakrishna Rao	--	--	28,95,360	--	--	--	--
Mr.Prasad Kuchibhatla	--	2,45,000	--	--	--	--	--

6. 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.
- Quarterly review of compliance status under various laws applicable to the Company.
- Related Party Transactions, if they are not at arm's length and in the ordinary course of business.
- All other matters required to be placed before the Board for its review / information / approval under the statutes, including RBI Act 1934.

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

Date: 12.06.2018
Place: Vishakhapatnam

Sd/-
K. Ravi Kumar
Director (DIN: 01672360)

Sd/-
P.Ramakrishna Rao
Director (DIN: 02119513)

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE:

To The Members of
M/s.Meliara Asset Reconstruction Company Limited
Visakhapatnam

We have read the report of the Board of Directors on Corporate Governance and have examined the relevant records relating to compliance of conditions of corporate governance by Meliara Asset Reconstruction Company Limited (“the Company”) for the year ended March 31, 2018.

The compliance of the conditions of the corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof adopted by the company for ensuring compliance with the conditions of Corporate Governance. Our examination was neither an audit nor was it conducted to express an opinion on the financial statements of the company.

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

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

For S.S. Reddy & Associates

Place: Hyderabad
Date: 12.06.2018

Sd/-
S. Sarveswar Reddy
Practicing Company Secretary
C.P. No. 7478

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 up to 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 promoters, its directors, senior management 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 take 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 supplier, 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: 24.04.2018
Place: Mumbai

Homai Daruwalla
(Independent Director)

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 up to 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 promoters, its directors, senior management 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 take 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 supplier, 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: 24.04.2018
Place: Kolkata

Kuchibhatla Prasad
(Independent Director)

DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS:

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 up to 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 promoters, its directors, senior management 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 take 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
- e. I have not been a material supplier, 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: 24.04.2018
Place: Mumbai

Ramachandran Rajaraman
(Independent Director)

Annexure-II

Disclosure of Particulars of Contracts/Arrangements entered into by the Company

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

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. There are no contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 which are not at arm's length basis.
2. Contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 which are at Arm's Length basis:

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	Sisir & Ravi Associates Both the partners in this firm are Promoter Directors in Meliora ARC	Resolution Agents for M/s.Subbaraj Textile Mills, M/s.Jasky Exports, M/s. Mahalakshmi Farm & Nursery	Professional fees of 2.50% on the amount recovered inclusive of all incidental expenses but excluding the legal expenses	22 July 2015	-NA-
2	Do-	Resolution Agents for MB Timbers & AG Timbers	Recovery within one year: 3% of Recovery or Rs.25 Lakhs whichever is Lower + Service Tax. Recovery within two years: 2.5% of Recovery or Rs.20 Lakhs whichever is Lower + Service	16 Jan 2016	

			Tax. Recovery within three years: 2% of Recovery or Rs.20 Lakhs whichever is Lower + Service Tax.		
3	Do-	Resolution Agents for M/s. National Lumbers	Rs.18 lakhs + applicable service tax	30 June 2016	-NA-
4	Do -	Resolution Agents for Bhaskara Padma Rice Industry	If Recovered before 31.03.17, Rs 15,00,000/- If Recovered before 31.03.18, Rs 10,00,000/- If Recovered before 31.03.19, Rs 6,50,000/- Incentive if recovered greater than bench mark price of Rs 7,25,000/- 3% incentive on excess recovery of Rs 7,25,000/- Proportionate reduction in the resolution fee to the extent of short recovery than the bench mark price	11 July 2016	-NA-
5	Do -	Resolution Agents for Prathiba Ispat (P) Ltd	2.5% for full resolution within 9 months. 2% for >9months and <18 months 1.5% after 18 months	18 October 2016	-NA-
6	Do-	Resolution Agents for M/s. Reliance Cellulose & Rani Chem	1.75% for recoveries within 12 months. 1.5% for more 12 months	28 Aug 2017	-NA-
7	Do-	Resolution Agents for M/s. Sri Krishna	1.35% for recoveries within 12 months. 1.20%	26 Sep 2017	-NA-

		Educational Trust	for more >12 months and <24 months 1% for more >24 months		
8	Do-	Resolution Agents for M/s. Leadage Metals	1.75% for recoveries within 12 months. 1.5% for more 12 months	1 Nov 2017	-NA-
9	M/s Sisir & Ravi Associates, partners of the Firm are also promoter directors of the company	Rent advance on office premises	Flat rent paid during normal course of work. RS 15,000/- PM from April to July, 2017 and Rs 15,750 from August, 2017 to March, 2018.	-NA-	-NA-

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

Date: 12.06.2018

Place: Vishakhapatnam

Sd/-

K. Ravi Kumar

Director (DIN: 01672360)

Sd/-

P. Ramakrishna Rao

Director (DIN: 02119513)

MGT 9

Extract of Annual Return

As on the Financial Year 31.03.2018

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

I. REGISTRATION AND OTHER DETAILS:									
i.	CIN			U65923AP2012PLC084298					
ii.	Registration Date			21/11/2012					
iii.	Name of the Company			M/s. Meliora Asset Reconstruction Company Limited					
iv.	Category / Sub-Category of the Company			Company Limited by shares-Indian Non-government Company					
v.	Address of the Registered office and contact details			H. No. 47-3-26/14, Flat No.106, 1st Floor, Bharat Towers, 5th Lane, Dwarakanagar, Visakhapatnam AP 530016 IN					
vi.	Whether listed company Yes / No			No					
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any			N.A					
II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:									
All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-									
Sl. No.	Name and Description of main products /services			NIC Code of the Product / service			% to total turnover of the company		
1	Asset Reconstruction of Financial Assets and Enforcement of security interest			64990			100%		
2									
III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:-									
S.No.	Name and Address of the Company		CIN/GLN	Holding/Subsidiary /Associate		% of shares Held	Applicable Section		
The company does not have any subsidiary company (ies)/ Associate									
IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)									
i) Category-wise Share Holding:-									
Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% of change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	

A. Promoters									
(1) Indian									
Individual/HUF		9984000	9984000	96.80		19968000	19968000	96.80	
Central Govt	--	--	--	--	--	--	--	--	--
State Govt (s)	--	--	--	--	--	--	--	--	--
Bodies Corp.	--	--	--	--	--	--	--	--	--
Banks / FI	--	--	--	--	--	--	--	--	--
Any Other....	--	--	--	--	--	--	--	--	--
Sub-total (A) (1) :-		9984000	9984000	96.80		19968000	19968000	96.80	
(2) Foreign									
a) NRIs - Individuals	--	--	--	--	--	--	--	--	--
b) Other – Individuals	--	--	--	--	--	--	--	--	--
c) Bodies Corp.	--	--	--	--	--	--	--	--	--
d) Banks / FI	--	--	--	--	--	--	--	--	--
e) Any Other....	--	--	--	--	--	--	--	--	--
Sub-total (A) (2):-	--	--	--	--	--	--	--	--	--
Total shareholding of Promoter (A) = (A)(1)+(A)(2)		9984000	9984000	96.80		19968000	19968000	96.80	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	--	--	--	--	--	--	--	--	--
b) Banks / FI	--	330000	330000	3.20	--	660000	660000	3.20	--
c) Central Govt	--	--	--	--	--	--	--	--	--
d) State Govt(s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance	--	--	--	--	--	--	--	--	--

Companies									
g) FII's	--	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Fund	--	--	--	--	--	--	--	--	--
i) Others (specify)	--	--	--	--	--	--	--	--	--
2. Non Institutions									
a) Bodies Corp.									
i) Indian	--	--	--	--	--	--	--	--	--
ii) Overseas	--	--	--	--	--	--	--	--	--
b) Individuals	--	--	--	--	--	--	--	--	--
i) Individual shareholders holding nominal share capital up to Rs. 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh									
c) Others (specify)									
1. NRI									
Clearing Member									
Sub-total (B)(2):- Total Public shareholdi	--	330000	330000	3.20	--	660000	660000	3.20	

ng (B)=(B)(1)+ (B)(2)									
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
Grand Total (A+B+C)		1031400 0	1031 4000	100		2062800 0	206280 00	100	

(ii) Shareholding of Promoters								
Sl. No	Shareholder's Name	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year			%Change during the year
		Shares	Total	% of Total Shares	Shares	Total	% of Total Shares	
1.	Appikatla Sisir Kumar	1655680	1655680	16.05	3311360	3311360	16.05	
2.	Perla Rama	352000	352000	3.41	704000	704000	3.41	
3.	Korada Ravi Kumar	1655680	1655680	16.05	3311360	3311360	16.05	
4.	Pillala Rama Krishna Rao	1447680	1447680	14.04	2895360	2895360	14.04	
5.	Appikatla Indira	8320	8320	0.08	16640	16640	0.08	
6.	Perla Jyothi	480000	480000	4.65	960000	960000	4.65	
7.	Korada Raj Kumar	8320	8320	0.08	16640	16640	0.08	
8.	Pillala Vishnu Vandana	216320	216320	2.10	432640	432640	2.10	
9.	Dukka Venkata Ramana Reddy	257000	257000	2.49	514000	514000	2.49	
10	Keerthana Reddy	575000	575000	5.57	1150000	1150000	5.57	
11	J Padmaja Rani	832000	832000	8.07	1664000	1664000	8.07	
12	Kanteti Uma	312000	312000	3.03	624000	624000	3.03	
13	Kanteti Venkateshwar Rao	1352000	1352000	13.11	2704000	2704000	13.11	
14	Perla Siva Kumar	832000	832000	8.07	1664000	1664000	8.07	

(iii) Change in Promoters' Shareholding (please specify, if there is no change):					
Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Share holding at the end of the year	
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Appikatla Sisir	1655680	16.05	3311360	16.05
2.	Perla Rama	352000	3.41	704000	3.41

3.	Korada Ravi Kumar	1655680	16.05	3311360	16.05
4.	Pillala Rama Krishna Rao	1447680	14.04	2895360	14.04
5.	Appikatla Indira	8320	0.08	16640	0.08
6.	Perla Jyothi	480000	4.65	960000	4.65
7.	Korada Raj Kumar	8320	0.08	16640	0.08
8.	Pillala Vishnu Vandana	216320	2.10	432640	2.10
9.	Dukka Venkata Ramana Reddy	257000	2.49	514000	2.49
10.	Keerthana Reddy	575000	5.57	1150000	5.57
11.	J Padmaja Rani	832000	8.07	1664000	8.07
12.	Kanteti Uma	312000	3.03	624000	3.03
13.	Kanteti Venkateshwar Rao	1352000	13.11	2704000	13.11
14.	Perla Siva Kumar	832000	8.07	1664000	8.07
	The company has issued bonus shares to the existing equity shareholders vide board Resolution dated 8.05.2017				

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

Sl. No.	Shareholder Name	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of Shares	% of total shares of The company	No. of shares	% of total shares of the company
	At the beginning of the year				
1	Canara Bank	3,30,000	3.20	6,60,000	3.20
	The company has issued bonus shares to the existing equity shareholders vide board Resolution dated 8.05.2017				
	At the End of the year	--	--	--	---

(v) Shareholding of Directors and Key Managerial Personnel: there is no change in direct and Key Managerial Personal shareholding

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Korada Ravi Kumar				
	At the beginning of the year	16,55,680	16.05	33,11,360	16.05
	The company has issued bonus shares to the existing equity shareholders vide board Resolution dated 8.05.2017				
	At the End of the year	16,55,680	16.05	33,11,360	16.05
Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
2	Appikatla Sisir Kumar				
	At the beginning of the year	16,55,680	16.05	33,11,360	16.05
	The company has issued bonus shares to the existing equity shareholders vide board Resolution dated 8.05.2017				

	At the End of the year	16,55,680	16.05	33,11,360	16.05
Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
3	Pillala Ramakrishna Rao	No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	14,47,680	14.04	28,95,360	14.04
	The company has issued bonus shares to the existing equity shareholders vide board Resolution dated 8.05.2017				
	At the End of the year	14,47,680	14.04	28,95,360	14.04

V. INDEBTEDNESS				
Indebtedness of the Company including interest outstanding/accrued but not due for payment				
Indebtedness at the beginning of the financial year	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Principal Amount		--	--	--
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)	--		--	--
Change in Indebtedness during the financial year	--	--	--	--
Addition				
Reduction				
Net Change	--	--	--	--
Indebtedness at the end of the financial year	--		--	--
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (I + ii+ iii)				

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL					
<i>A. Remuneration to Managing Director, Whole-time Directors and/or Manager:</i>					
Sl. no.	Particulars of Remuneration	Name of MD/WTD/ Manager:			Total Amount
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961				
2.	Stock Option	--	--	--	--
3.	Sweat Equity	--	--	--	--
4.	Commission - as % of profit - Others, specify...	--	--	--	--
5.	Others, please specify	--	--	--	--
6.	Total (A)	--	-	--	--
7.	Ceiling as per the Act	--	-	--	--

B. Remuneration to other directors:					
Sl. no.	Particulars of Remuneration	R. Ramachandran	Homai Daruwalla	K. Prasad	Total Amount
	3. Independent Directors · Fee for attending board / committee meetings · Commission · Others, please specify	3,35,000	2,45,000	2,45,000	8,25,000
	Total (1)	3,35,000	2,45,000	2,45,000	8,25,000
	4. Other Non-Executive Directors · Fee for attending board / committee meetings · commission · Others, please specify	--	--	--	--
	Total (2)	--	--	--	--
	Total (B)=(1+2)	3,35,000	2,45,000	2,45,000	8,25,000
	Total Managerial Remuneration	--	--	--	--
	Overall Ceiling as per the Act	--	--	--	--

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD					
Sl. no.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	19,35,000	3,87,000	--	23,22,000
2.	Stock Option				
3.	Sweat Equity				
4.	Commission - as % of profit - others, specify...				
5.	Others, please specify				
6.	Total	19,35,000	3,87,000	--	23,22,000

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:					
Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
B. DIRECTORS					
Penalty	--	--	--	--	--

Punishment	--	--	--	--	--
Compounding	--	--	--	--	--
C. OTHER OFFICERS IN DEFAULT					
Penalty	--	--	--	--	--
Punishment	--	--	--	--	--
Compounding	--	--	--	--	--

Form No. MGT-11

Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : U65923AP2012PLC084298
Name of the company : Meliora Asset Reconstruction Company Limited
Registered office :H. No. 47-3-26/14,Flat No.106, 1st Floor, , Bharat Towers, 5th Lane, Dwarakanagar, Visakhapatnam AP 530016 IN

Name of the member(s): Registered Address: E-mail Id: Folio No./Client Id: DP ID
--

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

1. Name :
Address :_
E-mail Id :
Signature:, or failing him

2. Name :
Address:
E-mail Id :
Signature:, or failing him

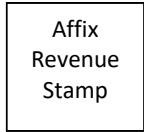
as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 6th Annual General Meeting of the Company, to be held on Monday, the 17th day of September, 2018 at 10:30 A.M at The Park Hotel, Beach Road, Lawsons Bay Colony, Pedda Waltair, Visakhapatnam, Andhra Pradesh- 530023. and at any adjourned meeting thereof in respect of such resolutions as are indicated below:

Resolution No.

1. Approval of financial statements for the year ended 31.03.2018.
2. Appointment of Mr.Pillala Ramakrishna Rao, as Director who retires by rotation.
3. To approve the dividend paid to 9% Compulsorily Convertible Cumulative Preference Shares ("CCCPS") for the Financial Year 2017-18.
4. Appointment of statutory auditors and fixation of their remuneration.

Signed this day of..... 2018

Signature of shareholder



Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

Meliora Asset Reconstruction Company Limited
H. No. 47-3-26/14, Flat No.106, 1st Floor, , Bharat Towers, 5th Lane,
Dwarakanagar, Visakhapatnam AP 530016 IN

ATTENDANCE SLIP
(Please present this slip at the Meeting venue)

I hereby record my presence for the 6th Annual General Meeting of the members to be held on Monday, the 17th day of September, 2018 at 10:30 A.M at The Park Hotel, Beach Road, Lawsons Bay Colony, Pedda Waltair, Visakhapatnam, Andhra Pradesh- 530023. and at any adjourned meeting thereof.

Shareholders/Proxy's Signature _____
Shareholders/Proxy's full name _____
(In block letters)

Folio No./ Client ID _____

No. of shares held _____

Note:

Shareholders attending the meeting in person or by proxy are required to complete the attendance slip and hand it over at the entrance of the meeting hall.

Route map and Land mark and to reach the meeting venue is given below:
The Park Hotel, Beach Road, Lawson bay Colony, Visakhapatnam.

