

MELIORA ASSET RECONSTRUCTION COMPANY LIMITED

7TH ANNUAL REPORT

2018-2019

CORPORATE INFORMATION

BOARD OF DIRECTORS:

Ms.Homai Ardeshir Darwalla	-	Chairperson (DIN: 00365880)
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)

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.Kuchibhatla Prasad
Ms.H.A.Daruwalla
Mr.Pillala Rama Krishna Rao

NOMINATION & REMUNERATION COMMITTEE:

Mr.Kuchibhatla Prasad
Ms.H.A.Daruwalla
Mr.Pillala Rama Krishna Rao

EXECUTIVE COMMITTEE: (ACQUISITIONS & RESOLUTIONS)

Mr Kuchibhatla Prasad
Mr P Rama Krishna Rao.
Mr A Sisir Kumar.
Mr Korada Ravi Kumar.

RISK MANAGEMENT COMMITTEE:

Mr.Kuchibhatla Prasad
Ms. H A Daruwalla
Mr P Rama Krishna Rao

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 7th Annual General Meeting (AGM) of the members of M/s. **MELIORA ASSET RECONSTRUCTION COMPANY LIMITED** will be held on Wednesday, 25th September of 2019 at 11:00 A.M at Fortune Inn Sree Kanya, 7-10 34 35 Sree Kanya Road Diamond Park, Dwaraka Nagar, Visakhapatnam, Andhra Pradesh 530016 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, 2019 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 2019.
3. To appoint a Director in place of Mr. K. Ravi Kumar, 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, 2020 as determined by the Audit Committee."

SPECIAL BUSINESS:

5. Increase and re-classification of the authorized share capital and consequent alteration of the capital clause in the memorandum of association of the company:

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to Section 13, 61 and 64 other applicable provisions if any of the Companies Act, 2013 and the Rules made there under, the authorized share capital of the company be and is hereby increased and re-classified from Rs. 45,00,00,000/- (Rupees Forty Five Crores only) divided into 3,00,00,000 (Three Crores) Equity Shares of Rs. 10 /- (Rupees Ten only) each and 1,50,00,000 (One Crore fifty lakh) Preference Shares of Rs. 10 /- (Rupees Ten only) each to Rs.90,00,00,000 (Rupees Ninety Crores Only) by re-classifying of capital Rs 86,78,00,000 (Eighty six Crores Seventy eight Lakhs Only) equity shares of Rs 10/- (Ten only) divided into 8,67,80,000 (Eight Crores Sixty Seven Lakhs Eighty Thousand Only) equity shares of Rs 10/- (Ten only) and Rs.3,22,00,000 (Three crores Twenty two lakhs only) divided into 32,20,000 (Thirty Two Lakhs Twenty Thousand) Preference Shares of Rs. 10 /- (Rupees Ten only) each.

"The Authorised share capital of the company is Rs. 90,00,00,000 (Rupees Ninety Crores Only) divided into 8,67,80,000 (Eight Crores Sixty Seven Lakhs Eighty Thousand Only) equity shares of Rs 10/- (Ten only) and 32,20,000 (Thirty Two Lakhs Twenty Thousand) Preference Shares of Rs. 10 /- (Rupees Ten only) each with power of the Company to increase or reduce the capital and the shares in the capital for the time being into several classes and to attach thereto respectively such preferential differed qualified or special rights, privileges or conditions and to vary or modify or abrogate any such rights, privileges or conditions as may for the time being be provided by the regulations of the company and to issue any part of its capital original or increased with or without any preference priority or special privileges or subject to any postponement of any conditions or restrictions and that unless the conditions of issue shall otherwise expressly declare every issue of share whether declared to preference or otherwise shall be subject to the power herein before contained."

FURTHER RESOLVED THAT for the purpose of giving effect to the above, the Board be and is hereby authorized to take all such necessary steps/actions as may be deemed expedient to give effect to this resolution including signing all such necessary documents as may be required in this regard."

6. ISSUE AND OFFER OF 6,00,00,000 EQUITY SHARES ON PREFERENTIAL BASIS at Rs 12.75 per share to raise upto Rs 76,50,00,000/- :

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Sections 62, 42 and all other applicable provisions, if any, of the Companies Act, 2013 ('the Act') and the Rules framed there under including any statutory modification(s) or re-enactment thereof for the time being in force, the Articles of Association of the Company, the Foreign Exchange Management Act, 1999, and the provisions of any other applicable laws, rules and regulations (including any amendments thereto or re-enactments thereof) and also subject to receipt of the requisite approvals, permissions and sanctions of Reserve Bank of India and other authorities, institutions or bodies ('the appropriate authorities') as may be necessary and subject to such conditions and modification(s) as may be prescribed or imposed by them while granting such approvals, permissions and sanctions, which the Board of Directors of the Company is empowered to accept, the consent, authority and approval of the Company be and is hereby accorded to the Board to create, offer, issue and allot up to 6,00,00,000 (Six Crores) Equity shares of fully paid-up equity shares of face value of Rs. 10/- each of the company (“Equity Shares) an issue price of Rs. 12.75/-i.e., Including premium of Rs. 2.75/- per equity share, for a cash consideration to raise funds upto Rs. 76,50,00,000/- (Seventy six crore fifty lakhs only) on a Preferential basis in one or more tranches and on such terms and conditions and in such manner as may be approved, finalized or decided by the Board from time to time;

“RESOLVED FURTHER THAT the allotment shall be completed with in 12 months from the date of passing of this resolution.”

“RESOLVED FURTHER THAT the shares proposed to be issued and allotted in pursuance of this resolution shall upon allotment have the same rights of voting as the existing equity shares and be treated for all other purposes pari-passu with the existing equity shares of the Company and that the equity shares so allotted during the financial year shall be entitled to dividend, if any, declared including other corporate benefits, if any, for the financial year in which the allotment has been made and subsequent years.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to modify and decide the price, terms and conditions of the Issue of equity shares, if necessary, keeping in view the provisions of various Acts and Guidelines in force from time to time.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized on behalf of the Company to take all actions and do all such deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient to the issue or allotment of aforesaid Securities appropriate and to resolve and settle all questions and difficulties that may arise in the proposed issue, offer and allotment of any of the said Securities, utilization of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion deem fit, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

- 7. To approve the offer period for the said preferential issue. The offer will be opened on 26th September 2019 and the offer will be closed on 30th September 2019. The minimum amount to be subscribed by each share holder is kept at Rs 2,50,00,000/- (Two Crore fifty lakhs only) . In case of over subscription, the allotment of equity shares will be done proportionately.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

“RESOLVED THAT the offer will be opened on 26th September 2019 and the offer will be closed on 30th September 2019. The minimum amount to be subscribed by each share holder will be Rs 2,50,00,000/- (Two Crore fifty lakhs only) In case of over subscription, the allotment of equity shares will be done proportionately.

- 8. To authorised the board to complete the allotment of preferential shares after completion of the subscription of Equity shares by the preferential share holders anytime after the close of the offer period.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

“RESOLVED THAT the Board be and is hereby authorized to complete the allotment of preferential shares after completion of the subscription of Equity shares by the preferential share holders anytime after the close of the offer period as per the provisions and guidelines of companies act 2013.

By order of the Board

For Meliora Asset Reconstruction Company Limited

Sd/-

Date: 26.08.2019
Place: Visakhapatnam

A. Sisir Kumar
Director (DIN:01652759)

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 7th Annual General Meeting and the Annual report for the financial period ended on March 31, 2019 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.

EXPLANATORY STATEMENT

[Pursuant to Section 102 of the Companies Act, 2013]

Item No: 4

The present authorized share capital of the company is Rs. 45,00,00,000/- (Rupees Forty Five Crores only) divided into 3,00,00,000 (Three Crores) Equity Shares of Rs. 10 /- (Rupees Ten only) each and 1,50,00,000 (One Crore fifty lakh) Preference Shares of Rs. 10 /- (Rupees Ten only) each. The company business is growing and in present banking & Economic scenario, there are vast business opportunities to garner fresh business ay competitive /beneficial pricing. For this purpose, there is need to infuse more capital in the company which will increase its net worth (NOF) which is essential for maintaining regulatory Guidelines. The company propose to increase its authorised capital share capital of the company. Considering the same, the Board has approved, subject to the shareholder's approval, an increase in the authorized share capital to Rs. Rs. 90,00,00,000 (Rupees Ninety Crores Only) divided into 8,67,80,000 (Eight Crores Sixty Seven Lakhs Eighty Thousand Only) equity shares of Rs 10/- (Ten only) and 32,20,000 (Thirty Two Lakhs Twenty Thousand) Preference Shares of Rs. 10 /-

Pursuant to provisions of Sections 13 and 61 of the Companies Act, 2013, an increase in authorized share capital and consequent amendments in the capital clause of the Memorandum of Association of the company requires approval of the members. Therefore Approval of the members is sought in terms of the said sections.

Your directors recommend the above ordinary resolution for your approval.

None of the Directors, key managerial personnel and their relatives is concerned or interested in the above said resolution.

Item No: 5

The company received the certificate of Registration from RBI to commence/ carry on the business of securitisation or asset reconstruction under section 3 of SARFESI Act, 2002. The company has already started its operations and has already acquired NPAs, form Banks/FIs. Presently, paid-up share capital including CCCP's of the company is Rs 28,65,30,000/- and also proposed increasing authorised share capital of the company. It will ensure increasing Net worth of the company and keeping desired regulatory capital adequacy Ratio while having good business growth with fresh acquisition of financial assets from Banks/FIs. Company also tied up some business with banks and is also in the process of tying up some more business to take advantage

of present market scenario. In order to cope up with the same. Company needs to issue fresh equity shares to facilitate business growth.

The promoters/ Directors and other public shareholders including compulsory convertible preference shareholder (CCCPs) named in the resolution have expressed their willingness to acquire equity shares of the company on preferential allotment basis.

As per Section 42 & 62 of the Companies Act, 2013, consent of the Members of the Company by way of a Special Resolution by providing requisite information as detailed below through this notice and rules made the company has to seek approval of members at the general meeting by way of special resolution which will be valid for a period of 12 months from the date of passing thereof.

The Company furnishes the following information for taking appropriate decision for approval of the proposed resolution as set out in the Item No. 5 of the notice of the meeting by way of special resolution:

Significant efforts to raise funds for the last one year as per RBI guidelines to meet NOF (Net Owned funds) to a minimum of Rs 100 Crore on or before 31-03-2019.

As per the guidelines of RBI, it is mandatory to increase the NOF (Net Owned funds) to a minimum of Rs 100 Crore on or before 31-03-2019 for all ARC's. We received an offer from a foreign investor based out of Hong Kong which was submitted to the RBI for prior approval to accept them as sponsors / investors, on 29th March, 2019 .We have requested RBI to give extension of time to meet the minimum NOF requirement of Rs 100 Cr vide our letter dated 8 April 2019. As per the due diligence report from DUN & BRADSTREET on the Hongkong investor there were some discrepancies. Hence the Board chose to work for identifying an alternate investor. The company short listed an alternative investor namely, 'Strategic Opportunity Fund' who have offered to invest Rs. 105.19 crore. This fund is being managed by SREI Alternative Investment Managers Ltd (SAIML) who are a reputed group.

Meanwhile, Hyderabad office of RBI has issued a Show Cause Notice vide letter DNBS (H) CMS No 1805/04.08.58/2018-19 dated 19.06.2019 and also has restrained us from any fresh acquisition with immediate effect.

Mr. Sisir Kumar, Director met the officials at RBI Hyderabad and discussed at length about the new investor and explained them the reasons for non-fulfilment NOF of Rs. 100 crores. Subsequently, he has made a presentation about the company's performance and steps taken to meet the NOF guidelines with the RBI officials at Central Office Mumbai. They have assured to place the note to their committee in due course.

Promoters are taking steps to raise the capital from existing shareholders and hence this offer of Preferential Equity Shares.

In view of the Show Cause Notice issued and possibility of cancellation of License by RBI, Now, the board took a prudent step for fund raising through internal resource or Strategic Investors., like “Strategic Opportunity Fund”. Hence, the shares are being offered at Rs.12.75/- .The valuation of share is also arrived at by approved valuers by adopting approved method.

A. A statement of disclosures as required under Rule 14 (1) of the Companies (Share Capital and Debentures) Rules, 2014 and the terms of issue of the Equity Shares are as under:

1. **DATE OF PASSING OF BOARD RESOLUTION:** Preferential issue of equity shares being approved by the Board Meeting on 28th August, 2019.
2. **KINDS OF SECURITIES OFFERED AND THE PRICE AT WHICH SECURITY IS BEING OFFERED:** Equity Shares will be offered at a price of Rs. 12.75/- i.e., including premium of Rs.2.75/- per equity share.
3. **BASIS OR JUSTIFICATION FOR THE PRICE (INCLUDING PREMIUM, IF ANY) AT WHICH THE OFFER OR INVITATION IS BEING MADE:** The price at which the shares are being issued at Rs. 12.75/- arrived at on the basis of the Valuation report obtained from a Registered Valuer.
4. **AMOUNT WHICH THE COMPANY INTENDS TO RAISE BY WAY OF SUCH SECURITIES;** upto Rs. 76,50,00,000/-
5. **MATERIAL TERMS OF RAISING SUCH SECURITIES:** The Equity Shares allotted in terms of this resolution shall rank pari-passu with the existing equity shares of the Company in all respects. The minimum amount to be subscribed by each share holder is kept at Rs 2,50,00,000/- (Two Crore fifty lakhs only). In case of over subscription, the allotment of equity shares will be done proportionately.
6. **PROPOSED TIME SCHEDULE:** Valid for 12 months.
7. **PURPOSES OR OBJECTS OF OFFER:** Specified in para B point no. 3 below.
8. **CONTRIBUTION BEING MADE BY THE PROMOTERS OR DIRECTORS EITHER AS PART OF THE OFFER OR SEPARATELY IN FURTHERANCE OF OBJECTS:**

The promoters, directors and other existing shareholder will subscribe for 6,00,00,000 equity shares.

9. PRINCIPLE TERMS OF ASSETS CHARGED AS SECURITIES: Not Applicable

B. A statement of disclosures as required under Rule 13 of the Companies (Share Capital and Debentures) Rules, 2014 and the terms of issue of the Equity Shares are as under:

1. **TOTAL NUMBER OF SHARES TO BE ISSUED: 6,00,00,000** Equity shares are proposed to be issued at a price of Rs. 12.75/-i.e. including premium of Rs 2.75/- per equity share.
2. **NATURE OF THE SHARES:** Equity Shares.
3. **OBJECT OF THE ISSUE:** The purpose of the issue of equity shares on preferential basis is to improve the Net Worth and to increase net owned funds at a level of Rs. 100 crores or above.
4. **MANNER OF ISSUE:** Proposed equity shares shall be treated for all purposes ranking **pari-passu** with the existing equity shares of the Company.
5. **PRICE OF THE ISSUE:** Based on the Valuation report obtained from a register valuer the equity share is Rs 12.75/- (Thirteen Rupees) per equity share. Copy of the Valuation report is available for inspection at the Registered Office of the Company during business hours on any day till the date of the meeting.
6. **BASIS ON WHICH THE PRICE HAS BEEN ARRIVED AT ALONG WITH REPORT OF THE REGISTERED VALUER:** The price has been arrived at considering the fair value of the company applying an appropriate valuation methodology.
7. **TERMS OF ISSUE AND RATE OF DIVIDEND ON EACH SHARE:** Issued and offered on a Preferential basis in accordance with the provisions of Section 62(1)(c), proposed equity shares shall be treated for all purposes ranking **pari-passu** with the existing equity shares of the Company.

8. **CHANGE IN CONTROL:** As an outcome of the proposed preferential issue of Equity Shares, there will not be a change in the composition of Board of Directors and control of the company.
9. **RELEVANT DATE:** 30 days prior to the date of this Annual General Meeting.
10. **THE CLASS OR CLASSES OF PERSONS TO WHOM THE ALLOTMENT IS PROPOSED TO BE MADE:** the allotment will be made to Existing promoters/Directors and other existing equity shareholders including compulsory convertible preference shareholder (CCCPs) of the company. Since the proposed preferential issue to be completed within a short span to comply the NOF requirement of Rs 100 Crores, the minimum amount to be subscribed by each shareholder is kept at Rs 2,50,00,000/-(Two Crore fifty lakhs only). In case of over subscription, the allotment of equity shares will be done proportionately.
11. **INTENTION OF PROMOTERS/DIRECTORS/KEY MANAGEMENT PERSONS TO SUBSCRIBE TO THE OFFER:** Promoters/Directors/Key Management Personnel and other public shareholder are intended to subscribe the offer.
12. **PROPOSED TIME FOR COMPLETION OF ALLOTMENT:** The proposed shares shall be subscribed and allotted within 12 months from the date of approval of shareholders in the Annual General Meeting, subject to the approvals from other regulatory authorities, if any, as may be required.
13. **NAME OF THE EXISTING SHARE HOLDERS WHO ARE ENTITLED TO SUBSCRIBE FOR THE PRESENT PREFERENTIAL ISSUE**

Sl. No	Name of the Shareholder	No of Shares held
1	Appikatla Sisir Kumar	33,11,360.00
2	Perla Rama Krishna	7,04,000.00
3	Korada Ravi Kumar	33,11,360.00
4	Pillala Rama Krishna Rao	28,95,360.00
5	Appikatla Indira	16,640.00
6	Perla Jyothi	9,60,000.00
7	Korada Raj Kumar	

		16,640.00
8	Pillala Vishnu Vandana	4,32,640.00
9	DukkaVenkat Ramana Reddy	5,14,000.00
10	Keerthana Reddy	11,50,000.00
11	J Padmaja Rani	16,64,000.00
12	Kanteti Uma	6,24,000.00
13	KantetiVenkateswar Rao	26,04,000.00
14	Prathivathi Bhayankaram Sreenivasa Aadithya	1,00,000.00
15	Perla Siva Kumar	16,64,000.00
16	Canara Bank	6,60,000.00
17	Lingamallu Dheera	1,00,000.00
18	Siva Sagarrao Yendamuri	60,000.00
19	Kunam Kotaiah Chowdary	1,00,000.00
20	Grandhi Vittal	1,00,000.00
21	Chikkalavalasa Eswar Mohan Rao	1,00,000.00
22	Krishna Murthy Vemuri	1,60,000.00
23	Ramaraju Sigilipelli	1,00,000.00
24	Sunita .G.Yelavarthi	1,20,000.00
25	K. Mallikharjuna Rao	1,00,000.00
26	Sunkari Venkata Hari Rajendra	60,000.00
27	Sonia Panda	1,00,000.00
28	Dharmender Varada	1,00,000.00
29	Sujana Ghanta Vemuri	1,60,000.00
30	Pydah Maurya Chandra	1,00,000.00
31	Natraj Nukala	1,00,000.00
32	Adusumilli Kesavakanth	

		1,00,000.00
33	G Subramanyam	1,00,000.00
34	Narasimha Murthy Indrakanti	60,000.00
35	Lakshmana Rao Ayyagari	25,000.00
36	Vaddadi Paidamma	1,00,000.00
37	Grandhi Sai Sindhuri	1,00,000.00
38	Punyapu Ramakrishna Rao	1,00,000.00
39	G Rajagopal Reddy	1,00,000.00
40	T Sarath Chand	60,000.00
41	Sai Sankar Ladi	40,000.00
42	Geddam Vijaya Kumar	70,000.00
43	Rudravajala Krishna kumara	1,00,000.00
44	A Tumbanatham	1,00,000.00
45	Rajendra Namburi	1,00,000.00
46	Kodidasu satyanarayaana	1,00,000.00
47	Kursheed Aarif	40,000.00
48	Sathi Visweswara Reddy	1,00,000.00
49	Dr. Lalita Ghanta	20,000.00
50	G V Badri Narayanamma	1,00,000.00
51	M/s. Steel City Commodities (P) Ltd.	4,00,000.00
52	M/s. Jayalakshmi Sea Foods (P) Ltd.	2,00,000.00
53	G Hari Venkata Narayana Murthy	1,00,000.00
54	S. Prasanna Lakshmi	40,000.00
55	M. Murali Krishna	40,000.00
56	Venkata RatnamVempali	1,00,000.00

57	P V Akhilesh	1,00,000.00
58	V. Balachandra	1,00,000.00
59	M/sVaramahalakshmi Holdings (P) Ltd	4,00,000.00
60	K Satya Venkata Ramesh Babu	25,000.00
61	Godey Ravi	1,00,000.00
62	G S V Amarendra	1,00,000.00
63	Venkata Satish kumar	20,000.00
64	Kishore V J Lingamallu	5,000.00
	CCCPS	
65	M/S Chandana Brothers Multy complex Pvt Ltd	10,00,000.00
66	Mr.Kambhampati Hari Babu	1,00,000.00
67	Mr.Kari Ajaya Kumar	38,000.00
68	Mr.Shashank Dutt Kancharla	60,000.00
69	Ms Kancharla Revathy Kumar	60,000.00
70	Mr.Grandhi Rajesh	2,00,000.00
71	Mr.Raghunath Konathala	2,00,000.00
72	Ms.K Anuradha	50,000.00
73	Ms.Kolluri Sundari Murthy	50,000.00
74	M/S Enspire Institute of Professional Studies Pvt Ltd	2,00,000.00
75	Nukala Srinivasa Rao	1,00,000.00
76	Mr.Mandar Ramesh Padhye	1,00,000.00
77	Mr.Kedar Anil Wagle	1,00,000.00
78	Mr.M Satyendra Varma	1,00,000.00
79	Mr G V Ramjee	1,00,000.00
80	Mr.Nagendra rao Mogalla	1,00,000.00

81	Mr.Pulavarthi Venkata Narayana Rao	50,000.00
82	Mr.Vinod Kumar Veturi	50,000.00
83	M/S Abhinav Leasing and Finance Ltd	1,00,000.00
84	Mr.Garuda Venkat Rajeev	1,00,000.00
85	Mr.Venkata Sanjeev Garuda	1,00,000.00
86	Ms.Priya Rakesh Joshi	1,00,000.00
87	Mr.Chitalapati Venkata Krishnam Raju	1,00,000.00
88	Mr. U V Venkateswar Rao	25,000.00
89	Mr. Cherukuri Murali Krishna	25,000.00
90	Mr. Raghu Ram Munnangi	12,000.00
	Total	2,86,53,000

14. NUMBER OF PERSONS TO WHOM ALLOTMENT ON PREFERENTIAL BASIS HAVE ALREADY BEEN MADE DURING THE YEAR, IN TERMS OF NUMBER OF SECURITIES AS WELL AS PRICE: The Company has not made issue or allotment of securities on preferential basis during the year.

15. JUSTIFICATION FOR THE ALLOTMENT PROPOSED TO BE MADE OTHER THAN CASH TOGETHER WITH THE VALUATION REPORT OF THE REGISTERED VALUER: There will be no securities issued for consideration other than cash.

Section 62 of the Companies Act, 2013 provides inter alia, that when it is proposed to increase the issued capital of a Company by allotment of further shares, such allotment requires consent of the members by way of Special Resolution Therefore the consent of the members is being sought pursuant to the provisions of Sections 42 & 62 and all other applicable provisions of the Companies Act, 2013 along with rules made there under.

In view of the above your Board of Director recommends the said resolution for your approval.

The members are, therefore, requested to accord their approval authorizing the Board to go for the proposed Preferential offer as set out in the resolution.

None of the directors or key managerial personnel of the company or their relatives are concerned or interested in this resolution except subscription to the shares offered.

By order of the Board

For Meliora Asset Reconstruction Company Limited

Date: 28.08.2019
Place: Visakhapatnam

Sd/-
A.Sisir Kumar
Director (DIN:01652759)

DIRECTORS' REPORT FOR THE FINANCIAL YEAR 2018-2019

To,
The Members,
Meliora Asset Reconstruction Company Limited,

Your Directors have pleasure in presenting their 7th Annual Report on the business and operations of the Company and the accounts for the Financial Year ended 31st March, 2019.

1. Key Financial highlights/performance of the company:

The financial performance of the Company for the year ended 31st March, 2019 is summarized below:

(Amount in Rupees)

Particulars	31 st March, 2019	31 st March, 2018
Revenue from Operations	5,09,18,500	3,51,86,027
Other income	1,76,29,513	1,44,54,458
Total income	6,85,48,013	4,96,40,485
Expenditure	1,65,20,745	1,23,51,440
Profit before depreciation & Finance Cost	5,20,27,268	3,72,89,045
Less: Depreciation	2,95,351	4,14,466
Less: Finance cost	84,85,047	67,81,303
Profit before Tax	4,32,46,870	3,00,93,276
Less: Tax Expenses	1,20,31,100	82,58,387
Profit after Tax	3,12,15,770	2,17,14,889
Profit brought forward from earlier year	2,49,61,141	1,17,03,450
Proposed Dividend on CCCPS	72,22,500	72,22,500
Dividend Tax	14,84,610	14,70,328
Profit transferred to Reserves	4,74,69,801	2,49,61,141

2. State of Company's Affairs:

During the year under review, the Company has recorded an income of Rs. 685.48 Lakhs and profit of Rs. 312.15 Lakhs as against the income of Rs. 496.40 Lakhs and Profit of Rs. 217.14 Lakhs in the previous financial year ending 31.03.2018.

3. 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.25,43,30,000/- divided into 25,43,30,000 equity shares of Rs. 10/- each and 3,22,00,00, 9% Compulsory convertible cumulative preference shares of Rs. 10/- each.

5. Reserves:

The Reserves as at the end of 31 March 2019 were Rs 6,30,80,801/-. 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 2019 as per the Register of Members. The Board of Directors has approved for this payment at their meeting held on 13.06.2019 out of the profits of the Company for the year 2018-2019. The total outflow was amounting to Rs. 87,07,110/- (including dividend distribution tax of Rs.14,84,610/-).

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 Seven (7) times during the previous financial year. As on March 31, 2019, 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 2018-2019 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:

The Company has not accepted any public deposits during the Financial Year ended March 31, 2019 and as such, no amount of principal or interest on public deposits was outstanding as on the date of the balance sheet.

Details of deposits not in compliance with the requirements of the Act:

Since the Company has not accepted any deposits during the Financial Year ended March 31, 2019, there has been no non-compliance with the requirements of the Act.

Pursuant to the Ministry of Corporate Affairs (MCA) notification dated 22nd January 2019 amending the Companies (Acceptance of Deposits) Rules, 2014, the Company is required to file with the Registrar of Companies (ROC) requisite returns in Form DPT-3 for outstanding receipt of money/loan by the Company, which is not considered as deposits.

The Company would be complying with this requirement within the prescribed timelines.

11. Audit Committee Recommendations :

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

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

Hyderabad office of RBI has issued a Show Cause Notice vide letter DNBS (H) CMS No 1805/04.08.58/2018-19 dated 19.06.2019 and also has restrained us from any fresh acquisition with immediate effect.

13. 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 2018-2019 and to the date of signing of Directors' Report.

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

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

15. Events subsequent to the date of financial statements:

Hyderabad office of RBI has issued a Show Cause Notice vide letter DNBS (H) CMS No 1805/04.08.58/2018-19 dated 19.06.2019 and also has restrained us from any fresh acquisition with immediate effect.

16. Adequacy of Internal Financial Statements

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

17. 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 2019, which attracts the provisions of Section 186 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014.

18. 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.

19. 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.

20. 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.

21. 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.

22. 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.

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

Mr Prasad Kuchibhatla and Ms Homai Daruwalla are acting as the independent directors of the Company. 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.

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).

24. 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.

25. 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 and
- f) The Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively;

26. 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.

27. Directors and key managerial personnel:

During the year under review, Mr. Ramachandran Rajaraman, Director of the Company resigned w.e.f 19.02.2019. The Board has placed on records its sincere appreciation for the valuable contribution made by him during his tenure.

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

During the year under review, PSR Swami, Company Secretary and Mr. Lakshminarayana, CEO & CFO of the Company resigned with effect from 25-04-2019 & 29-06-2019 respectively. The Board has placed on records its sincere appreciation for the valuable contribution made by him during his tenure.

28. 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.

29. 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.

30. 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.

31. Auditors' Report:

The Board has duly reviewed the Statutory Auditor's Report on the Accounts for the year ended March 31, 2019 and has noted that the same does not have any reservation, qualification or adverse remarks.

32. 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.

33. 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.

34. No Frauds reported by statutory auditors:

During the Financial Year 2018-19, 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.

35. 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, 2019.

36. 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.

37. 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.

38. 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.

39. 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.

40. 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**

Sd/-	Sd/-	
Date: 28.08.2018	Korada Ravi Kumar	Pillala Ramakrishna Rao
Place: Vishakhapatnam	Director (DIN: 01672360)	Director (DIN: 02119513)

REPORT ON CORPORATE GOVERNANCE FOR THE YEAR ENDED ON MARCH 31, 2019

1. Company's philosophy 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.

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, 2019, Board of Directors comprised of 5 Directors. Their position on the Board as Independent Director or otherwise is indicated below:

S.No.	Name of the Directors	Designation	Category
1.	Ms. HomaiDaruwalla	Director	Independent
2.	Mr. Sisir Kumar Appikatla	Director	Promoter

3.	Mr. Ravi Kumar Korada	Director	Promoter
4.	Mr. Pillala Ramakrishna Rao	Director	Promoter
5.	Mr. Prasad Kuchibhatla	Director	Independent

3. Number of Board Meetings:

The Board of Directors met Seven (7) times during the financial year, on 24.04.2018, 12.06.2018, 27.07.2018, 17.09.2018, 30.10.2018, 13.12.2018 and 13.03.2019. 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 Directorships of Public Companies	No. of Committee Memberships	No. of Committee Chairmanships	
Ms.HomaiDaruwalla	None	ID&NED	7	7	yes				
Mr. Prasad Kuchibhatla	None	ID&NED	7	7	yes				
Mr.RamachandranRajaraman	None	ID&NED	6	6	yes				
Mr.Sisir Kumar Appikatla	None	NED (N)	7	7	yes				
Mr. Ravi Kumar Korada	None	NED (N)	7	7	yes				
Mr.Pillala Ramakrishn	None	NED(N)	7	7	yes				

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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 four (4) times i.e. 24.04.2018, 17.09.2018, 30.10.2018 and 13.03.2019 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)	4	4
Ms. HomaiDaruwalla	Member	NED(I)	4	4
Mr.P.Ramakrishna Rao	Member	NED(N)	4	4

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 24.04.2018 and 17.09.2018. 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)	3	3
Mr. Kuchibhatla Prasad	Member	NED(I)	3	3
Ms. Homai Daruwalla	Member	NED(I)	3	3
Mr. P. Rama Krishna	Member	NED(N)	3	3

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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 12.06.2018. The attendance of the members is as follows:

Name	Designation	Category	No Meetings held	No Meetings attended
Mr.Kuchibhatla Prasad	Chairman	NED(I)	1	1

Mr.R.Ramachandran	Member	NED(I)	1	1
Ms. HomaiDaruwalla	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 (Acquisition):

The Committee met One(1) times during the year on 12.06.2018. The composition and attendance of the members are as follows

Name	Designation	Category	No Meetings held	of	No Meetings attended	of
Mr. P. Ramakrishna Rao	Chairman	NED(N)	1		1	
Mr. A Sisir Kumar	Member	NED(N)	1		1	
Mr. R Ramachandran	Member	NED(I)	1		1	

E) 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 16.09.2018 and 13.03.2019 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 composition and attendance of the members is as follows:

Name of the Member	No. of Meeting		Category
	Held	Attended	
Ms.HomaiDaruwalla	2	2	Independent Director
Mr. Kuchibhatla Prasad	2	2	Independent Director
Mr. R Ramachandran	1	1	Independent Director

5. Performance Evaluation of Board, Committees and Directors:

Pursuant to provisions of Regulation 17(10) of the SEBI Listing Regulations and the provisions of the Act, an annual Board effectiveness evaluation was conducted for FY 2018-19 on March 13, 2019, involving the following:

- i. Evaluation of IDs, in their absence, by the entire Board was undertaken, based on their performance and fulfillment of the independence criteria prescribed under the Act and SEBI Listing Regulations; and
- ii. 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 Act and Regulation 25(3) and 25(4) of the SEBI Listing Regulations, was convened on March 13, 2019, 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, sustainability, 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, bringing 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.

Performance evaluation was done on the scale of 1 to 5, 1 being very poor and 5 being outstanding. The outcome of performance evaluation is given below:

Categories	Rating (out of 5)
Board as a whole	4.92
Individual Directors	
Ms.HomaiArdeshirDarwalla	4.95
Mr. Prasad Kuchibhatla	4.94
Mr. Pillala Ramakrishna Rao	4.90
Mr. Sisir Kumar Appikatla	4.98
Mr. Ravi Kumar Korada	4.90
Audit Committee	4.95
Executive Committee:(Acquisitions& Resolution)	4.90
Nomination & Remuneration Committee	4.92
Risk Management Committee:	4.85

6. 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:

1.1 "Director" means a director appointed to the Board of the company.

1.2 "key managerial personnel" means the :

- i. Chief Executive Office or the managing director or the manager;
- ii. Company secretary;
- iii. Whole-time director;
- iv. Chief finance Officer; and
- v. Such other office as may be prescribed under the companies Act, 2013

B. Remuneration to Directors Paid During the Financial Year 2018-19 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.HomaiDaruwalla	-	4,00,000	-	-	-	-	-
Mr.Sisir Kumar Appikatla	-	-	33,11,360	-	-	-	-
Mr. Ravi Kumar Korada	-	--	33,11,360	-	-	-	-
Mr. Ramachandran Rajaraman	-	3,55,000	-	-	-	-	-
Mr.Pillala Ramakrishna Rao	-	-	28,95,360	-	-	-	--
Mr.PrasadKuchibhatla	-	4,00,000	-	-	-	-	-

7. 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: 28.08.2019	Sd/- K. Ravi Kumar	Sd/- P.Ramakrishna Rao
Place: Vishakhapatnam	Director (DIN: 01672360)	Director (DIN: 02119513)

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE:

To The Members of
M/s.Meliora 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 Meliora Asset Reconstruction Company Limited ("the Company") for the year ended March 31, 2019.

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: 28.08.2019

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,

Date: 01.04.2019
Place: Mumbai

Yours Faithfully,
Sd/-
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,

Sd/-

Date: 01.04.2019

Kuchibhatla Prasad

Place: Kolkata

(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 arms 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 arms 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 Arms 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	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 nd Jul, 2015	N.A.
2	- Do -	Resolution Agents for M/s.	Fee of Rs. 18 lakh and applicable service tax.	30 th Jun, 2016	N.A.

		National Lumbers	If recovered before 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. Pratibhalspat Pvt Ltd	2.5% for full resolution within 9 months. 2% for >9 months and <18 months, 1.5% after 18 months	18 th Oct.2016	N.A.
4	- Do -	Resolution Agents for M/s. Reliance Celluloses Pvt Ltd	1.75% for recoveries with in 12 months and 1.5% for >12 months	28 th Aug.2017	N.A.
5	- Do -	Resolution Agents for M/s. Leadage Metals Ltd.	1.75% for recoveries with in 12 months and 1.5% for >12 months	1 st 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 th 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 th Mar,2019	N.A.
8	- Do -	Resolution Agents for M/s. PBR Agrotech Pvt Ltd	If recovered in <1n Yr 1.48%,<2Yrs 1.30 %, <3Yrs 1.20% and >3Yrs 1.10%	13 th Mar,2019	N.A.
9	MrAppikatlaSisir Kumar -	Rent Advance on Office Premises	Flat rent paid during normal course of work. Rs. 15,750/- PM from August, 2017 to July, 2018. Rs. 16,500/- from August,	N.A.	N.A.

		2018.		
--	--	-------	--	--

Date: 28.08.2019
Place: Vishakhapatnam

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

Korada Ravi Kumar **Pillala Ramakrishna Rao**
Director Director
DIN-01672360 DIN: 02119513

Annexure III

MGT 9

Extract of Annual Return

As on the Financial Year 31.03.2019

[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%

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		1996800	1996800	96.80		1996800	1996800	78.51	(18.28)
Central Govt	--	--	--	--	--	--	--	--	--
State Govt (s)	--	--	--	--	--	--	--	--	--
Bodies	--	--	--	--	--	--	--	--	--

Corp.									
Banks / FI	--	--	--	--	--	--	--	--	--
Any Other....	--	--	--	--	--	--	--	--	--
Sub-total (A) (1) :-		1996800	19968000	96.80		1996800 0	199680 00	78.51	(18.28)
(2) Foreign									
a) NRIs - Individuals	--	--	--	--	--	--	--	--	--
b) Other – Individuals	--	--	--	--	--	--	--	--	--
c) Bodies Corp.	--	--	--	--	--	--	--	--	--
d) Banks / FI	--	--	--	--	--	--	--	--	--
e) Any Other....	--	--	--	--	--	--	--	--	--
Sub-total (A) (2):-	--	--	--	--	--	--	--	--	--
Total sharehold ing of Promoter (A) =(A)(1)+(A) (2)		1996800 0	19968000	96.80		1996800 0	199680 00	78.51	(18.28)
B. Public Sharehold ing									
1.Instituti ons									
a) Mutual Funds	--	--	--	--	--	--	--	--	--

b) Banks / FI	--	660000	660000	3.20	--	660000	660000	2.60	(0.6)
c) Central Govt	--	--	--	--	--	--	--	--	--
d) State Govt(s)	--	--	--	--	--	--	--	--	--
e) Venture Capital Funds	--	--	--	--	--	--	--	--	--
f) Insurance Companies	--	--	--	--	--	--	--	--	--
g) FIs	--	--	--	--	--	--	--	--	--
h) Foreign Venture Capital Fund	--	--	--	--	--	--	--	--	--
i) Others (specify)	--	--	--	--	--	--	--	--	--
2. Non Institutions									
a) Bodies Corp.						600000	600000	2.36	2.36
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	--	--	--	--	--	4205000	4205000	16.53	16.53
c)Others (specify)									
1. NRI									
Clearing Member									
Sub-total (B)(2):- Total Public shareholding (B)=(B)(1)+(B)(2)	--	660000	660000	3.20	--	5465000	5465000	21.49	21.49
C. Shares held by Custodian for GDRs & ADRs	--	--	--	--	--	--	--	--	--
Grand		2062800	2062	100		2543300	254330	100.00	

Total		0	8000			0	00		
(A+B+C)									

(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	3311360	3311360	16.05	3311360	3311360	13.2	(3.03)
2.	Perla Rama	704000	704000	3.41	704000	704000	2.77	(0.6+4)
3.	Korada Ravi Kumar	3311360	3311360	16.05	3311360	3311360	13.2	(3.03)
4.	Pillala Rama Krishna Rao	2895360	2895360	14.04	2895360	2895360	11.38	(2.66)
5.	Appikatla Indira	16640	16640	0.08	16640	16640	0.6	(0.2)
6.	Perla Jyothi	960000	960000	4.65	960000	960000	3.77	(0.875)
7.	Korada Raj Kumar	16640	16640	0.08	16640	16640	0.6	(0.2)
8.	Pillala Vishnu Vandana	432640	432640	2.10	432640	432640	1.70	(0.398)
9.	Dukka Venkata Ramana Reddy	514000	514000	2.49	514000	514000	2.02	(0.46)
10	Keerthana Reddy	1150000	1150000	5.57	1150000	1150000	4.52	(1.048)
11	J Padmaja Rani	1664000	1664000	8.07	1664000	1664000	6.54	(1.52)
12	Kanteti Uma	624000	624000	3.03	624000	624000	2.45	(0576)
13	Kanteti Venkateshwar Rao	2704000	2704000	13.11	2704000	2704000	10.63	(2.478)

14	Perla Siva Kumar	1664000	1664000	8.07	1664000	1664000	6.54	(1.52)
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(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	3311360	16.05	3311360	13.2
2.	Perla Rama	704000	3.41	704000	2.77
3.	Korada Ravi Kumar	3311360	16.05	3311360	13.2
4.	Pillala Rama Krishna Rao	2895360	14.04	2895360	11.38
5.	Appikatla Indira	16640	0.08	16640	0.6
6.	Perla Jyothi	960000	4.65	960000	3.77
7.	Korada Raj Kumar	16640	0.08	16640	0.6
8.	Pillala Vishnu Vandana	432640	2.10	432640	1.70
9.	Dukka Venkata Ramana Reddy	514000	2.49	514000	2.02
10.	Keerthana Reddy	1150000	5.57	1150000	4.52
11.	J Padmaja Rani	1664000	8.07	1664000	6.54
12.	Kanteti Uma	624000	3.03	624000	2.45
13.	Kanteti Venkateshwar Rao	2704000	13.11	2704000	10.63
14.	Perla Siva Kumar	1664000	8.07	1664000	6.54
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	Shareholding at the end
---------	------------------	---------------------	-------------------------

		beginning of the year		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	
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
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

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

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	CF O	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	--	23,22,00 00

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:

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 7th Annual General Meeting of the Company, to be held on Wednesday, the 25th day of September, 2019 at 11:00 AM at Fortune Inn Sree Kanya, 7-10 34 35 Sree Kanya Road Diamond Park, Dwaraka Nagar, Visakhapatnam, Andhra Pradesh 530016 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 31.03.2019.
2. To approve the dividend paid to 9% Compulsorily Convertible Cumulative Preference Shares (“CCCPS”) for the Financial Year 2018-2019.
3. Appointment of Mr. K. Ravi Kumar, as Director who retires by rotation.
4. Increase and re-classification of the authorized share capital and consequent alteration of the capital clause in the memorandum of association of the company:
5. Issue and Offer Of 6,00,00,000 Equity Shares On Preferential Basis at Rs 12.75 per share to raise upto Rs 76,50,00,000/- :
6. To approve the offer period for the said preferential issue. The offer will be opened on 26th september 2019 and the offer will be closed on 30th september 2019.the minimum amount to be subscribed by each share holder will be Rs 2,50,00,000/- (two crore fifty lakhs only) . In case of over subscription, the allotment of equity shares will be done proportionately.
7. To authorised the board to complete the allotment of preferential shares after completion of the subscription of Equity shares by the preferential share holders anytime after the close of the offer period.

Signed this day of..... 2019

Affix
Revenue
Stamp

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 7th Annual General Meeting of the members to be held on Wednesday, the 25th day of September, 2019 at 11:00 AM at Fortune Inn Sree Kanya, 7-10 34 35 Sree Kanya Road Diamond Park, Dwaraka Nagar, Visakhapatnam, Andhra Pradesh 530016 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:

Fortune Inn Sree Kanya , Vizag :

