



ADHUNIK METALIKS LIMITED

CIN:- L28110OR2001PLC017271

Regd. Office:- Chadri Hariharpur, P.O.- Kuarmunda, Sundargarh, Odisha -770039
Website:- www.adhunikgroup.com, email id:- investorsrelation@adhunikgroup.co.in

NOTICE OF POSTAL BALLOT

(Notice pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014

Dear Shareholder(s)

Notice is hereby given pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014 and other applicable provisions of the Companies Act, 2013, including any statutory modification or re-enactment thereof for the time being in force, that the resolutions appended are proposed to be passed as special resolutions by way of postal ballot / e-voting. The explanatory statement pertaining to the aforesaid resolutions setting out the material facts concerning each item and the reasons thereof is annexed hereto along with a postal ballot form (the "FORM") for your consideration. The Board of Directors of the Company (the "Board") has appointed Mr. Deepak Kumar Khaitan, Practicing Company Secretaries, as the Scrutinizer for conducting the postal ballot process in a fair and transparent manner.

Shareholders' consent is sought for the proposals contained in the resolutions given in this notice. Explanatory Statement pursuant to section 102 of the Act pertaining to the said resolution setting out the material facts and related particulars are annexed hereto along with Postal Ballot Form (the FORM).

Please read carefully the instructions printed on the FORM and return the FORM duly completed in all respects in the enclosed self-addressed pre-paid postage envelope, so as to reach the Scrutinizer on or before Saturday, 17.30 hours, May 2, 2015. Shareholders may choose to vote using the e-voting facility, the details whereof are specified under the notes hereto.

The Scrutinizer will submit his report to the Chairman or Company Secretary of the Company after completion of the scrutiny and the result of the voting by Postal Ballot will be announced on Tuesday, May 5, 2015 at 16.00 hours at the Registered Office of the Company. The result of the Postal Ballot along with the Scrutinizer's Report will also be displayed on the Company's website www.adhunikgroup.com and also on the website of M/s Karvy Computershare Private Limited i.e. <https://evoting.karvy.com> and shall be communicated to the stock exchanges where the Company's shares are listed.

Item No. 1

Option to CDR Lenders for conversion of entire debt into fully paid-up Equity Shares and Issue of Equity Shares to CDR Lenders

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 Section 62(3) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 and in accordance with other applicable laws, including Reserve Bank of India's Framework for Revitalising Distressed Assets in the Economy and the guidelines issued thereunder, SEBI ICDR Regulations, 2009 and the Banking Regulation Act, 1949, (including any statutory modification(s) or re-enactment thereof for the time being in force and any modifications thereto) and in respect of the unqualified right of the lenders to the Company who have provided the restructured facilities to the Company which are being restructured (the "**CDR Lenders**") and subject to the right of the Company to prepay such restructured facilities and whether upon or irrespective of an event of default, the board of directors of the Company (hereinafter the "**Board**", which term shall be deemed to include any committee thereof) be and is hereby authorized to accept and the consent of the Company be and is hereby accorded to the Board to accept the option of conversion as may be exercised by the CDR Lenders to convert all or any portion of the outstanding amounts of their respective convertible loan, together with accumulated interest, into fully paid-up equity shares of the Company, at any time during the currency of such restructured facilities and to create, offer, issue and allot in one or more tranches, such number of fully paid-up equity shares of the Company of the face value of Rs. 10/- (Rupees Ten only) to the CDR Lenders which shall not exceed the amount of principal and interest outstanding as on the date of exercise of such option, on the terms and conditions contained in the package approved by the CDR Cell formulated by and between the Company and the CDR Lenders pursuant to the Framework for Revitalising Distressed Assets in the Economy and the guidelines issued thereunder, subject to the following conditions:

- i) On receipt of notice of conversion, the Company shall allot and issue the requisite number of fully paid-up equity shares of the Company to the CDR Lenders as from the date of conversion and the CDR Lenders shall accept the same in satisfaction of the part of the restructured facilities so converted.
- ii) The part of the restructured facilities so converted shall cease to carry interest as from the date of conversion and the restructured facilities shall stand correspondingly reduced. Upon such conversion, the instalments of the restructured facilities payable after the date of conversion shall stand reduced proportionately by the amounts of the restructured facilities so converted.



- iii) The equity shares so allotted and issued to the CDR Lenders shall carry, from the date of conversion, the right to receive proportionately the dividends and other distributions declared or to be declared in respect of the equity capital of the Company. Save as aforesaid, the said shares shall rank *pari passu* with the existing equity shares of the Company in all respects. The Company shall, at all times, maintain sufficient un-issued equity shares for the above purpose.
- iv) In the event of the CDR Lenders exercising the conversion right as aforesaid, the Company shall at its cost get the equity shares of the Company, issued to the CDR Lenders as a result of the conversion, listed with the stock exchanges as also comply with all statutory requirements and applicable laws in connection with the issue of the shares as stated above."

Item No. 2

To make loans or investments and to give guarantees or to provide security in connection with a loan made under Section 186 of the Companies Act, 2013.

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 Section 186 of the Companies Act, 2013 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and Rules made thereunder and subject to such other approvals, consents, permissions and sanctions of any authorities as may be necessary, consent and approval of the shareholders of the Company be and is hereby accorded to the board of directors of the Company (the **"Board"**), to give guarantee and/ or provide security in connection with a loan to any other body corporate or person as the Board may deem fit, for amount exceeding the limits specified in Section 186 of the Companies Act, 2013, as per details stated herein below:

Particulars	To give corporate guarantee(s) and /or provide security(ies) for borrowings
Name of the Banker / Company	Security trustee to be appointed for the benefit of the CDR lenders in accordance with the package approved by the CDR Cell
Limit	Not exceeding Rs. 5500 Crores (Rupees Five Thousand Five Hundred Crores only)
Details	Issuing guarantee(s) and /or providing security up-to an aggregate amount not exceeding Rs. 5500 Crores (Rupees Five Thousand Five Hundred Crores only) in accordance with the package approved by the CDR Cell

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers conferred herein, to any one or more Directors of the Company;

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorised to take all such actions and to give all such directions as may be necessary or desirable and also to settle any question or difficulty that may arise in regard to the giving of the aforesaid undertaking and

further to do all such acts, deeds, matters and things and to execute all such deeds, documents and writings as may be necessary, desirable or expedient in connection therewith."

Item No. 3

Authority to create securities on assets/ properties, both present and future, of the Company to secure borrowings of the Company

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

"RESOLVED THAT in supersession of the resolution passed by the shareholders of the Company under Section 293(1)(a) of the Companies Act, 1956 at its Annual General Meeting held on 9th September, 2008 and pursuant to the provisions of Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force), consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the **"Board"** which term shall be deemed to include any Committee thereof), to create mortgage and/ or charge, in such form and manner and with such ranking and at such time and on such terms as the Board may determine, on all or any of the moveable and/ or immovable properties of the Company, both present and future, and/ or on the whole or any part of the undertaking(s) of the Company, in favour of the banks, national or international financial institutions, lender(s), agent(s), trustee(s) for securing the borrowings availed/ to be availed by the Company, by way of loan(s) (in foreign currency and/ or in rupee terms), cash credits/ or other credit facilities, subject to the limits approved by the Company under Section 180(1)(c) of the Companies Act, 2013, together with interest at the agreed rates, additional interest, compound interest in case of default, accumulated interest, liquidated damages, commitment charges, premia on prepayment, remuneration of the agent(s)/ trustees, premium (if any) on redemption, all other costs, charges and expenses, including any increase as a result of devaluation/ revaluation/ fluctuation in the rates of exchange and all other monies payable by the Company in terms of the financing & security documents entered into/ to be entered into between the Company and the banks/ financial institutions/ other lender(s)/agent(s) and trustee(s), in respect of the said loans/ borrowings and containing such specific terms and conditions and covenants in respect of enforcement of security(ies) as may be stipulated in that behalf and agreed to between the Board and the bank(s)/ lender(s)/ agent(s)/ trustee(s);

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board or any Committee or person(s) authorized by the Board be and is/are hereby authorized to finalise, settle and execute such documents/ deeds/ writings/papers/agreements and to do all acts, deeds, matters and things, as may be required."

By Order of the Board
For Adhunik Metaliks Limited

Date: 27th March, 2015
Place: Kolkata

Sanjay Dey
Company Secretary



Notes:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, setting out material facts and reasons for the proposed Special Business is annexed herein.
2. Voting rights shall be reckoned on the paid up value of shares registered in the name of the shareholders as on date of the notice.
3. Shareholders who have registered their e-mail IDs for receipt of documents in electronic mode under the Green Initiative of Ministry of Corporate Affairs are being sent Notice of Postal Ballot by e-mail and to others are being sent by post along with Postal Ballot Form. Shareholders who have received Postal Ballot Notice by e-mail and who wish to vote through Physical Postal Ballot Form can download the Postal Ballot Form from the link www.adhunikgroup.com or <https://evoting.karvy.com> or seek duplicate Postal Ballot Form from M/s Karvy Computershare Private Limited, Unit: Adhunik Metaliks Limited, Plot No. 17-24, Vittal Rao Nagar, Madhapur, Hyderabad - 500 081, fill in the details and send the same to the Scrutinizer.
4. In compliance with provisions of Section 110 of the Companies Act, 2013 read with the Rule 22 of the Companies (Management and Administration) Rules, 2014, the Company has provided E-voting facility to all the Shareholders of the Company. For this purpose, the Company has entered into an agreement with M/s Karvy Computershare Private Limited for facilitating e-voting facility to enable the Shareholders to cast their votes electronically instead of dispatching Postal Ballot Form.

The instructions for e-voting are as under:

- a. Procedure & instructions for E-voting
 - i. Open our web browser during the voting period and navigate to <https://evoting.karvy.com>.
 - ii. Enter the login credentials (i.e. user-id & password) mentioned on the Postal Ballot Form. Your folio/ DP Client ID will be your User-ID.
 User - ID For members holding shares in Demat Form:
 - a) For NSDL: 8 Character DP ID followed by 8 Digits Client ID
 - b) For CDSL: 16 digits beneficiary ID
 For members holding shares in Physical Form:
 Folio Number registered with the Company
 Password Your Unique password is printed on the Notice / via email forwarded through the electronic notice
 Enter the Verification code i.e. please enter the alphabets and numbers in the exact way as they are displayed for security reasons.
 - iii. Click on Shareholder – Login;
 - iv. Put user ID and password as initial password noted in step (ii) above and click Login;
 - v. Password change menu appears. Change the password with new password of your choice with minimum 8 characters

- consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character. Note your new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential;
- vi. Home page of e-Voting opens. Click on e-Voting: Active Voting Cycles;
- vii. Select “EVSN” (i.e. E-Voting Sequence Number) of Adhunik Metaliks Limited;
- viii. Now you are ready for e-Voting as Cast Vote page opens. Voting period commences at 10.00 Hours on April 02, 2015 and ends at 17.30 Hours on May 02, 2015;
- ix. Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted. Upon confirmation, the message “Vote cast successfully” will be displayed. Once you have voted on the resolution, you will not be allowed to modify your vote;
- x. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (in PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at deepak_khaitan@hotmail.com; with a copy marked to einward.ris@karvy.com;
- xi. In case Shareholders desiring split voting i.e. voting FOR and AGAINST on the same resolution, can do so by downloading Postal Ballot Form from the link <https://evoting.karvy.com> or www.adhunikgroup.com or by obtaining duplicate Form from the Company’s Registrar and Share Transfer Agent, Karvy Computershare Private Limited, Unit: Adhunik Metaliks Limited, Plot No.17-24, Vittal Rao Nagar, Madhapur, Hyderabad-500081;
- xii. The date of declaration of results of the postal ballot, i.e. 5th May, 2015 shall be the date on which the resolution would be deemed to have been passed, if approved by requisite majority;
- xiii. In case of Shareholders receiving Postal Ballot Form by Post: Initial password is provided at the bottom of the Postal Ballot Form.
- b. Please follow all steps from Sl. No. (i) to (ix) of (a) above, to cast vote;
- c. In case of any queries, you may refer to the Frequently Asked Questions (FAQs) and e-voting user manual for members available at the website of E-voting Platform Provider viz. <https://evoting.karvy.com> or contact M/s Karvy Computershare Private Limited at toll free number 1800 345 4001.
- d. If you are already registered with M/s Karvy Computershare Private Limited for e-voting then you can use your existing user ID and password for casting your vote.
- e. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
5. Kindly note that the Shareholders can opt for only one mode



of voting, i.e., either by Physical Postal Ballot or e-voting. If you are opting for e-voting, then do not vote by Physical Postal Ballot also and vice versa. However, in case Shareholders cast their vote by both Physical Postal Ballot and e-voting, then voting done through valid Physical Postal Ballot shall prevail and voting done by e-voting will be treated as invalid.

6. Shareholders desiring to exercise vote by Physical Postal Ballot are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed and signed, in the enclosed self-addressed business reply envelope to the Scrutinizer, so as to reach the Scrutinizer not later than close of working hours (i.e. 17.30 Hours) on May 02, 2015. The postage cost will be borne by the Company. However, envelopes containing Postal Ballots, if sent by courier or registered/speed post at the expense of the Shareholders will also be accepted. Assent / Dissent received after May 02, 2015, would be strictly treated as if reply from the shareholder has not been received.
7. The voting period ends on the close of working hours (i.e. 17.30 hours) on May 02, 2015. The e-voting module shall

also be disabled by M/s Karvy Computershare Private Limited for voting thereafter.

8. As per Rule 22 of the Companies (Management and Administration) Rules, 2014, inter-alia details of dispatch of Notice and Postal Ballot Form to the Shareholders will be published in at least one English language and one vernacular language newspaper.
9. The Scrutinizer will submit his report to the Chairman or Company Secretary of the Company after completion of the scrutiny of the Postal Ballot Forms and the result of the Postal Ballot will be announced on May 5, 2015 at 16.00 Hours at the Registered Office of the Company. The result of the Postal Ballot along with the Scrutinizer's Report will also be displayed on the Company's website www.adhunikgroup.com and also on the website of M/s Karvy Computershare Private Limited i.e. <https://evoting.karvy.com> and shall be communicated to the stock exchanges where the Company's shares are listed. The result of the Postal Ballot will also be published in the newspapers.
10. In case of any queries, shareholders may contact the Company at investorsrelation@adhunikgroup.co.in.

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 1

The Company has in the past, approached its lenders to restructure its debts under the regulations of Corporate Debt Restructuring Scheme (hereinafter referred to as the "CDR Scheme") in accordance with the guidelines in this regard, of the Reserve Bank of India. The Scheme envisaged restructuring of the Term Debt, creation of additional debt, moratorium for repayments on certain components of debt, additional borrowing for further capital expenditure etc. The CDR Empowered Group (hereinafter referred to as CDR – EG), at its meeting held on 18th March, 2015, approved the CDR Scheme and communicated the same vide its Letter of Approval dated 20th March, 2015 (hereinafter referred to as the "LOA"). As a standard condition of such debt restructuring, the CDR – EG has stipulated that the CDR Lenders shall have a right to convert the entire debt into equity shares of the Company, in the event the Company fails to comply with the several conditions of the LOA. The CDR – EG vide its LOA, has stipulated the following conditions:

- a. ***CDR Lenders shall have a right to convert entire/part of defaulted interest and entire/part of defaulted principal into equity as per SEBI pricing formula in the event of default. However, in the case of those CDR Lenders who already have default conversion rights, the same would be governed by existing loan covenants. The company/promoters shall take necessary steps and obtain all requisite/necessary/statutory/other approvals for such allotment of equity shares or a part of it in terms of their existing loan agreements.***

- b. ***CDR Lenders shall have a right to convert into equity upto 20% of the term debt outstanding beyond seven years as per SEBI guidelines/loan covenants whichever is applicable.***
- c. ***As regards WCTL (Working Capital Term Loan) and FITL (Funded Interest Term Loan), the conversion option would be available at any time during the restructuring period. In the event the lenders or any of the lenders exercises its right to sell the shares issued in terms of the conversion clause as (a) or (b) above, the first right of refusal to buy back the shares would be offered to the promoters.***

Therefore, it is necessary to pass the above mentioned resolution for complete implementation of the CDR Scheme as approved by the CDR – EG.

The Board recommends the resolution as Item No.1 of this Notice for approval of the shareholders by Special Resolution.

None of the Directors and key managerial personnel of the Company or their respective relatives are concerned or interested in the Resolution mentioned at Item No. 1 of this Notice.

Item No. 2

The company has been facing severe recessionary trends due to bleak economic scenario, severe shortage of Iron ore, Coal, blockage of fund due to increase in Working capital cycle, delay in reverse merger, deficit in operational cash flow affecting the current debt servicing ability, Increased finance cost burden etc. As a result, the ability of the Company to meet its repayment obligations/liabilities under the various facilities availed by it were adversely affected. The Company felt it necessary to refer



the matter to Corporate Debt Restructuring ("CDR") Forum under CDR guidelines issued by The Reserve Bank of India, for efficient servicing of outstanding debt of the Company. Under the CDR Scheme, which is under implementation, your Company as a co-obligor of Orissa Manganese & Minerals Limited (hereinafter referred to as "OMML") and Zion Steel Limited (hereinafter referred to as "ZSL"), in the absence of final order of merger of your Company with OMML and ZSL, would be required to provide guarantee for repayment of loans by these companies.

To complete implementation of the CDR Scheme, it is necessary to empower the Board under section 186 of the Companies Act, 2013 by the Members for such purpose, namely to make any loan(s) to any body corporate(s)/ person(s) and/or to give any guarantee(s)/provide any security(ies), in connection with loan(s) made to any body corporate(s)/ person(s) and/or to acquire by way of subscription, purchase or otherwise the securities of body corporate(s) in India or abroad, not exceeding Rs. 5500 Crores (Rupees Five Thousand Five Hundred Crores only).

As per the provisions of Section 186 of the Companies Act, 2013, no company shall directly or indirectly (a) give any loan to any person or other body corporate; (b) give any guarantee or provide security in connection with a loan to any other body corporate or person; and (c) acquire by way of subscription, purchase or otherwise, the securities of any other body corporate, exceeding sixty percent. of its paid-up share capital, free reserves and securities premium account or one hundred per cent. of its free reserves and securities premium account, whichever is more. Where such giving of any loan or guarantee or providing any security or the acquisition exceeds the limits specified, under Section 186 of the Companies Act, 2013 prior approval by means of a special resolution passed at a general meeting is necessary.

As per Section 110 of the companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, the said special resolution is to be passed through postal ballot process.

The Board recommends the resolution as Item No.2 of this Notice for approval of the shareholders by Special Resolution.

None of the Directors and key managerial personnel of the Company or their respective relatives are concerned or interested in the Resolution mentioned at Item No. 2 of this Notice.

Item No. 3

Pursuant to Section 293 (1)(a) of the Companies Act, 1956, the shareholders of the Company, vide Ordinary Resolution dated 9th September, 2008 passed at the Annual General Meeting of the Company, had accorded their consent to the Board of Directors for creation of charges/mortgages/hypothecations for an amount not exceeding Rs. 2500 Crores (Rupees Two Thousand Five Hundred Crores only) to secure the borrowings of the Company.

Under the provisions of Section 180 (1) (a) of the Act, which were made effective from September 12, 2013, the above powers can be exercised by the Board only with the consent of the shareholders obtained by a Special Resolution. Further, as per the Circular dated March 25, 2014 issued by the Ministry of Corporate Affairs, the Ordinary Resolution earlier passed under Section 293 (1) (a) of the Companies Act, 1956 will remain valid for a period of one year from the date of notification of Section 180 of the Act, i.e. up to September 11, 2014. As such, it is necessary

to obtain fresh approval of the shareholders by means of a Special Resolution, to enable the Board of Directors of the Company to create charge/ mortgage/ hypothecation on the Company's assets, both present and future, in favour of the lenders/ trustees for the holders of debentures/ bonds, to secure the repayment of monies borrowed by the Company (including temporary loans obtained from the Company's Bankers in the ordinary course of business). It is a standard covenant for raising of debt, that the entire debt be secured by the assets of the Company by way of charge/mortgage/pledge/assignment of the movable and immovable assets of the Company and that in the event of a default in following the covenants under the financing documents, lenders shall have a right to call upon those assets for repayment of outstanding debt. It is therefore, necessary to obtain members' approval by way of a Special Resolution under Section 180 (1) (a) of the Act for creation of charges/ mortgages/ hypothecations for an amount not exceeding Rs. 5500 Crores (Rupees Five Thousand Five Hundred Crores only) or the aggregate of the paid up capital and free reserves of the Company, whichever is higher.

Your Company is presently effecting a Corporate Debt Restructuring Scheme (hereinafter referred to as the "CDR Scheme") approved by the Corporate Debt Restructuring Empowered Group (hereinafter referred to as the CDR – EG) vide its Letter of Approval dated 20th March, 2015. The CDR Scheme has been approved based on an obligor – co obligor structure between the Company, Orissa Manganese & Minerals Limited (the wholly owned subsidiary of the Company) and another Zion Steel Limited, since the Scheme of Amalgamation is yet to be approved by the Hon'ble High Court of Orissa. Though your Company's individual borrowing would not exceed the earlier limits, however due to nature of the obligor – co obligor structure, your Company would effectively be borrowing an aggregate sum which is more than the previous limit permissible.

The proposed borrowings of the Company in aggregate needs to be secured by way of charge/ mortgage/ hypothecation on the Company's assets in favour of the lenders/ holders of securities/ trustees for the holders of the said securities as mentioned in the Resolution at Item No. 3. As the documents to be executed between the lenders/security holders/ trustees for the holders of the said securities and the Company may contain provisions to take over substantial assets of the Company in certain events, it is necessary to pass special resolution under Section 180(1)(a) of the Act, for creation of charges/ mortgages/hypothecations for an amount not exceeding Rs. 5500 Crores or the aggregate of the paid up capital and free reserves of the Company, whichever is higher.

The Board recommends the Resolution as Item No. 3 of this Notice for approval of the shareholders by Special Resolution.

None of the Directors and key managerial personnel of the Company or their respective relatives are concerned or interested in the Resolution mentioned at Item No. 3 of this Notice.

By Order of the Board
For Adhunik Metaliks Limited

Sanjay Dey
Company Secretary

Date: 27th March, 2015
Place: Kolkata