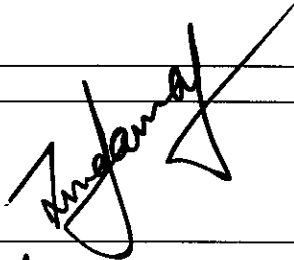
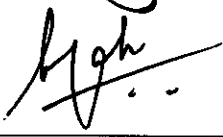
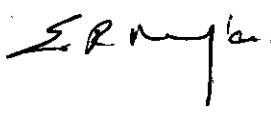
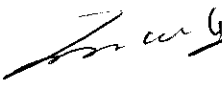
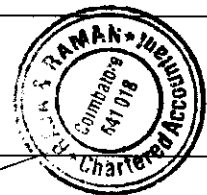


FORM A

Format of covering letter of the annual audit report to be filed with the Stock Exchange

1	Name of the Company	Indsil Hydro Power and Manganese Limited
2	Annual financial statements for the year ended	30 th June, 2014
3	Type of Audit observation	No Qualification
4	Frequency of observation	Nil
5	To be signed by-	
	Managing Director	
	CFO	
	Auditor of the Company	
	Audit Committee Chairman	



24th annual report

2013 - 14



▲ Indsil Hydro Station Reservoir, Rajakkad, Idukki District, Kerala

Indsil Hydro Station Power House, Rajakkad, Idukki District, Kerala ▼



INDSIL

Indsil Hydro Power and
Manganese Limited

INDSIL HYDRO POWER AND MANGANESE LIMITED

24TH ANNUAL REPORT FOR THE YEAR ENDED 30TH JUNE 2014

BOARD OF DIRECTORS

SRI B. BALCHAND
CHAIRMAN

SRI S.N.VARADARAJAN
EXECUTIVE VICE CHAIRMAN

SRI VINOD NARSIMAN
MANAGING DIRECTOR

SRI S. INDERCHAND

SMT. D. PUSHPA VARADARAJAN

SRI K.S. MAHADEVAN

DR. A.K. SREEDHARAN

DR. T.C.P. NAMBIAR

SRI. K. RAMAKRISHNAN

COMPANY SECRETARY

SRI S. MAHADEVAN

CHIEF FINANCIAL OFFICER

SRI R. MURALI

STATUTORY AUDITORS

M/S. RAJA & RAMAN
CHARTERED ACCOUNTANTS
1055/11, GOWTHAM CENTRE
1ST FLOOR, AVANASHI ROAD, COIMBATORE 641 018

REGISTRARS & SHARE TRANSFER AGENT (PHYSICAL & DEMAT)

S.K.D.C CONSULTANTS LTD
"KANAPATHY TOWERS"
3rd FLOOR, 1391/A-1
SATHY ROAD
GANAPATHY
COIMBATORE 641 006
PHONE : 0422-6549995, 2539835/6
e-mail : info@skdc-consultants.com

BANKERS

STATE BANK OF TRAVANCORE
THE FEDERAL BANK LIMITED
IDBI BANK LIMITED
YES BANK LIMITED
STANDARD CHARTERED BANK

REGD. & CORPORATE OFFICE

"INDSIL HOUSE", T.V.SAMY ROAD (WEST)
R.S.PURAM, COIMBATORE 641 002

WORKS

SMELTER UNIT

VI-679 PALLATHERI, ELAPULLY
PALAKKAD 678 007, KERALA

RAJAKKAD HYDRO ELECTRIC POWER PLANT

VIII/351 RAJAKKAD, IDUKKI DISTRICT - 685 566
KERALA

SUBSIDIARY COMPANY

SREE MAHALAKSHMI SMELTERS PVT LTD
MERAKAMUDIDAM MANDALAM
GARBHAM 535 102, VIZIANAGARAM DIST (A.P)

JOINT VENTURE COMPANY

AL-TAMMAN INDSIL FERRO CHROME LLC
CR.NO.1090488, P.O.BOX 592, AL HAMRIYA
POSTAL CODE 131, SULTANATE OF OMAN

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NOTICE OF THE 24th ANNUAL GENERAL MEETING

NOTICE is hereby given that the 24th Annual General Meeting of the Company will be held at Chamber Towers, 8/732 Avanashi Road, Coimbatore 641 018 on Friday, the 19th day of December, 2014 at 10.15 A.M. to transact the following business:

Members are requested to make it convenient to attend the meeting.

AGENDA

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 30th June, 2014 and Statement of Profit & Loss for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To declare dividend on the equity shares.
3. To appoint a Director in place of Dr. A.K.Sreedharan (DIN 00043167) , who retires from office by rotation, and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Sri B.Balchand (DIN 00035878) , who retires from office by rotation, and being eligible, offers himself for reappointment.
5. To appoint M/s Raja & Raman, Chartered Accountants, Coimbatore (Firm Registration No. 003382S) who have offered their services and who are not disqualified under Section 139 of the Companies Act, 2013, be appointed as Auditors of the Company to hold Office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting at such a remuneration plus service tax, out of pocket expenses, etc., as may be mutually agreed between the Board of Directors of the Company and the Auditors".

SPECIAL BUSINESS

6. RE-APPOINTMENT OF SRI S.N.VARADARAJAN AS EXECUTIVE VICE CHAIRMAN

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

"RESOLVED THAT subject to the provisions of Sections 2(78), 2(94), 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re-enactment thereof, for the time being in force) Sri.S.N.Varadarajan, be and is hereby re-appointed as Executive Vice Chairman of the Company for a period of 5 (five) years with effect from 17th November, 2014 and the remuneration for the current financial year shall remain the same as that of existing one and can be subject to review at any time during the period of appointment as the Board of Directors may advise from time to time duly recommended in that respect by the Nomination & Remuneration Committee".

1. Salary : Salary in the range of Rs.50,000/- to Rs. 3,00,000/- per month during the currency of the tenure as may be decided by the Board of Directors from time to time.
2. Commission : 3% of the Net Profits of the Company in each year computed in accordance with Section 198 of the Companies Act, 2013.
3. Perquisites : In addition to the above salary :-
 - a. Expenditure for medical treatment incurred for self, wife and dependent children not exceeding one month's salary per annum or 3 month's salary over a period of 3 years.
 - b. Leave travel concession for self, wife and dependent children once in an year in accordance with the rules of the Company.
 - c. Fees of clubs of choice, however not exceeding 2 numbers, over and above admission fees payable.
 - d. Company's contribution to Provident Fund as per rules of the Company and as laid down under Income Tax Rules, 1962.
 - e. Contribution of Super-annuation Fund / Annuity as per rules of the Company.
 - f. Gratuity as per rules of the Company, but not exceeding half a month's salary for each completed year of service.
 - g. Encashment of leave at the end of the tenure as per the rules of the Company.
 - h. Personal accident insurance premium not exceeding Rs. 1 Lakh per annum.
 - i. Any other perquisites as may be allowed by the Board of Directors of the Company within the permissible limits.

The above is subject to the fact that the aggregate of the total salary, commission and perquisites payable shall not exceed the prescribed ceiling of the net profits of the Company calculated in accordance with Section 197 of the Companies Act 2013.



- II. In case the Company has no profits or its profits are inadequate in any financial year during the currency of the tenure of Sri S.N.Varadarajan as Executive Vice Chairman of the Company, Sri S.N.Varadarajan shall be entitled to receive remuneration as above subject to minimum remuneration specified in para (A), Part II, Section II of Schedule V of the Companies Act, 2013 as amended from time to time provided that the following perquisites shall not be included in the computation of remuneration.
- Company's contribution to Provident Fund, Super Annuation Fund or Annuity Fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
 - Gratuity payable at a rate not exceeding half a month's salary for each completed year of service and
 - Encashment of leave at the end of the tenure.

III. OTHERS

- Sri S.N.Varadarajan, Executive Vice Chairman shall be entitled to reimbursement of all actual expenses including on entertainment and travelling incurred in the course of the Company's business.
- The Company shall provide a car with driver and telephone facility at the residence of Sri S.N.Varadarajan, Executive Vice Chairman. Provisions of car with driver for use of the Company's business and telephone facility at the residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purposes shall be billed by the Company to Sri S.N.Varadarajan.

"RESOLVED FURTHER THAT as the above appointee is already the Whole Time Director in Indsil Energy and Electrochemicals Limited, (Company having Registered Office at "INDSIL House", T.V.Samy Road (West), R.S.Puram, Coimbatore - 641 002) and drawing remuneration from the said Company, the total remuneration drawn by him from both the companies shall not exceed the higher maximum limit admissible from this Company or the said Company."

APPOINTMENT OF INDEPENDENT DIRECTORS

7. APPOINTMENT OF DR. A.K. SREEDHARAN AS AN INDEPENDENT DIRECTOR

To consider and, if thought fit, to pass with or without modification the following resolution as an ordinary resolution:

"RESOLVED that pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Dr. A.K.Sreedharan (DIN 00043167), a non-executive Director of the Company, in respect of whom, the Company has received a notice in writing under Section 160 of the Act from a Member, proposing the candidature for the office of Director and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and the Board of Directors having formed the opinion that he meets such criteria and being eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years with effect from 19th December, 2014, the date of the Annual General Meeting".

8. APPOINTMENT OF DR. T.C.P.NAMBIAR AS AN INDEPENDENT DIRECTOR

To consider and, if thought fit, to pass with or without modification the following resolution as an ordinary resolution:

"RESOLVED that pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Dr. T.C.P.Nambiar (DIN 01037496) in respect of whom, the Company has received a notice in writing under Section 160 of the Act from a Member, proposing the candidature for the office of Director and who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and the Board of Directors having formed the opinion that he meets such criteria and being eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years with effect from 19th December, 2014, the date of the Annual General Meeting".

9. APPOINTMENT OF SRI K.RAMAKRISHNAN AS AN INDEPENDENT DIRECTOR

To consider and, if thought fit, to pass with or without modification the following resolution as an ordinary resolution:

"RESOLVED that pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Sri K. Ramakrishnan (DIN 02797842) a non-executive Director of the Company, in respect of whom, the Company has received a notice in writing under Section 160 of the Act from a Member, proposing the candidature for the office of



Director and who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and the Board of Directors having formed the opinion that he meets such criteria and being eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for 5 (five) consecutive years with effect from 19th December, 2014, the date of the Annual General Meeting".

10. APPROVAL FOR BORROWING POWERS

To consider and, if thought fit, to pass with or without modification the following resolution as a special resolution:

"RESOLVED that the consent of the Company be and is hereby accorded in terms of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and Rules framed thereunder, and other applicable statute and/or Rules & Regulations made thereunder and in force during the relevant time(s) to the Board of Directors (hereinafter referred as "Board") of the Company for borrowing from time to time from such Banks, Financial Institutions, Government, Government Bodies, Companies and / or other Persons, Bodies Corporate, whether by way of Term Loans, Cash Credit, Advance, Deposits, Bill discounting or otherwise and whether unsecured or secured by way of mortgage, charge, hypothecation or lien or pledge of the Company's assets and properties whether movable or immovable, including stock in trade or book debts, of such sums of monies as they may deem requisite for the purpose of the business of the Company notwithstanding that monies to be borrowed together with monies already borrowed (apart from temporary loans obtained from the Company's bankers in ordinary course of business) will exceed the aggregate of the paid-up capital and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the aggregate of the monies that may be borrowed by the Board shall not exceed Rs. 500 Crores (Rupees Five Hundred Crores Only) outstanding at any point of time".

"RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorized to negotiate, finalise and settle with the Banks and Financial Institutions / Trustees / other lenders concerned, the terms and conditions of such security including ranking thereof and all deeds, documents and writings for creating appropriate mortgage(s) and / or charge(s) on such of the immovable and/or movable properties of the Company as may be agreed by the Board and for reserving the aforesaid right in their favour and to do all such acts, deeds, matters, things, agreements, contracts, etc., and give such directions as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and also delegate to the extent permitted by law, all or any of the powers herein conferred to any Committee of Directors or Managing Director or any Director(s) or any Key Managerial Personnel(s) (KMPs) or any other Officer(s) of the Company, for the purpose of giving effect to this resolution".

"RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters, things, agreements, contracts, etc., and give such directions as it may in its absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and also delegate to the extent permitted by law, all or any of the powers herein conferred to any Committee of Directors or Managing Director or any Director(s) or any Key Managerial Personnel(s) (KMPs) or any other Officer(s) of the Company for the purpose of giving effect to this resolution".

11. COMMISSION TO NON-EXECUTIVE DIRECTORS

To consider and, if thought fit, to pass with or without modification the following resolution as an ordinary resolution :

"RESOLVED THAT pursuant to the provisions of Sections 197 & 198 and other applicable provisions, if any, of the Companies Act, 2013, and such other approvals as are necessary, a sum not exceeding 1% (one percent) of the Annual net profits of the Company computed in accordance with the provisions of the said Act and subject to an overall ceiling of Rs. 6,00,000/- (Rupees Six Lakhs Only) per year, be paid to and distributed amongst the Non-Executive Directors of the Company and further such amounts be paid in such proportions and in such manner as may be directed by the Board of Directors and such payment shall be made in respect of the profits of the Company for each year for a period of three financial years commencing from the financial year 2013-14".

12. APPROVAL FOR SUBSCRIPTION / PURCHASE OF SHARES / ISSUANCE OF CORPORATE GUARANTEES / PROVISION OF LOANS TO BODY(IES) CORPORATE

To consider and, if thought fit, to pass with or without modification, the following resolution as a special resolution :

"RESOLVED that pursuant to Section 186 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Rules made thereunder, as amended from time to time, 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 of the Board constituted to exercise its powers, including the powers conferred by this resolution) to invest by way of subscription of shares / purchase or acquisition of shares, issue of Corporate Guarantee(s) provide loans, to secure the loan of any body(ies) corporate (collectively "transactions") not exceeding a sum of Rs. 100 Crores, over and above the 60% of its paid-up capital and free reserves or 100% of its free reserves, whichever is higher as prescribed under that Section, notwithstanding that the aggregate of such investments / corporate guarantees etc., so far made / to be made / issued exceeds the limits / will exceed the limits laid down by the Act".

"RESOLVED FURTHER that the Board be and is hereby authorized to take from time to time all decisions and steps necessary, expedient or proper, in respect of the above mentioned investment(s) / guarantees etc., (collectively "transactions") including the timing, the amount and other terms and conditions of such transactions and also to take all other decisions including varying any of them, through transfer or sale, investment, issue of corporate guarantee(s) or otherwise, either in part or in full, as it may, in its absolute discretion, deem appropriate, subject to the specified limits for effecting the aforesaid transaction(s)".

13. APPROVAL FOR RELATED PARTY TRANSACTIONS

To consider and, if thought fit, to pass with or without modification the following resolution as a special resolution:

"RESOLVED that pursuant to the provisions of Section 188 of the Companies Act, 2013 read with the provisions of Companies (Meetings of the Board and its Powers) Rules, 2014 and read with relevant circulars, notifications issued from time to time, provisions of the Standard Listing Agreement with Stock Exchange and other provisions of law, as applicable for the time being, consent of the members of the Company be and is hereby accorded to the Company for entering into transactions involving sale, purchase or supply of goods or materials and/or availing or rendering of any services with the following companies which are related parties as per the definition of the term under the Act during the financial year ending 30th June, 2015:

Sl. No.	Name of the Related Party	Nature of Transaction	Value of Transaction
1.	Indsil Energy and Electrochemicals Limited (Associate Company)	Sale / Purchase of raw materials, semi-finished and finished goods	Upto a maximum of Rs.200 Crores.
2.	Sree Mahalakshmi Smelters Private Limited (Subsidiary Company)	Sale / Purchase of raw materials, semi-finished and finished goods	Upto a maximum of Rs.200 Crores.

"RESOLVED FURTHER THAT the limits mentioned above in respect of which approval is provided by the Company shall be construed to be over and above the threshold limits prescribed under Section 188 of the Companies Act, 2013 read with the provisions of Companies (Meetings of the Board and its Powers) Rules, 2014 and read with relevant circulars, notifications issued from time to time, provisions of the Standard Listing Agreement with Stock Exchange and other provisions of law, as applicable for seeking shareholders approval and accordingly the Board of Directors, subject to the recommendations of the Audit Committee of the Board, are empowered to approve transactions with the said related parties."

Place : Coimbatore
Date : 13.11.2014

By Order of the Board

Sd/-
S.MAHADEVAN
Company Secretary.



NOTES FOR MEMBERS' ATTENTION:

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. The proxy form should be lodged at the Registered Office of the Company atleast 48 hours before the commencement of the meeting. Corporate members are requested to send a duly certified copy of their Board resolution authorizing their representatives to attend and vote at the Annual General Meeting.**
2. Dividend, if approved at the Annual General Meeting, will be paid to those members whose names appear:
 - a) As Beneficial owners as at the end of business hours on 15th December, 2014 as per the list to be furnished by NSDL & CDSL in respect of the shares held in electronic form and
 - b) As members in the Register of Members of the Company after giving effect to all valid share transfers in physical form lodged with the Company on or before 15th December, 2014.

The Register of Members and Share Transfer books will be closed from Tuesday, the 16th December, 2014 to Friday, the 19th December, 2014 (both days inclusive).
3. Details in respect of Directors retiring by rotation, pursuant to Clause 49 of the Listing Agreement are annexed hereto.
4. Consequent upon amendment in Section 205A of the Companies Act, 1956, and introduction of Section 205 C by the Companies (Amendment) Act, 1999, the amount of dividends remaining unclaimed for a period of seven years shall be transferred to the Investor Education and Protection Fund of the Central Government and no payments shall be made in respect of any such claims by the Fund.
5. Members holding shares in physical form are requested to notify change in their addresses, if any, to the Registrars & Share Transfer Agent of the Company and Members holding shares in dematerialised form are requested to notify change in their address to their respective Depository Participants.
6. Members are requested to bring their copy of the Annual Report to the Annual General Meeting. No fresh copies will be issued at the Meeting.
7. Members who have not yet given their bank's name, address and account number are requested to furnish the same to the Registrars & Share Transfer Agent of the Company.
8. The equity shares of the Company are listed on The Bombay Stock Exchange Ltd. The Annual Listing fee has been paid upto date to the above said Exchange.
9. Members who have multiple accounts in identical names or joint accounts in same order are requested to send all their share certificates to the Registrars & Share Transfer Agent of the Company for consolidation of all such shareholding into one account to facilitate better service.
10. For the convenience of the Members, an attendance slip is annexed to the proxy form. Members are requested to affix their signatures at the space provided and hand over the attendance slip at the place of the meeting.
11. All the documents referred to in the Notice of the AGM are open for inspection at the Registered Office of the Company during office hours (9.30 A.M to 5.30 P.M) on all working days except holidays before the date of the AGM.
12. Shareholders seeking any information with regard to the accounts are requested to write to the Company seven days prior to the date of the AGM so as to enable the management to keep the information ready.
13. Equity shares of the Company have been placed under Compulsory De-mat Trading. Members who have not dematerialized their physical holding in the Company are advised to avail the facility of dematerialisation of equity shares of the Company.
14. The ISIN of the equity shares of your Company is INE867D01018.
15. The Ministry of Corporate Affairs (vide Circular Nos. 17/2011 and 18/2011 dated April 21 and April 29, 2011 respectively), has undertaken a "Green Initiative in Corporate Governance" and allowed Companies to share documents with its share holders through an electronic mode. Members are requested to support this green initiative by registering / updating their e-mail addresses, in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form with M/s S.K.D.C Consultants Ltd.
16. The soft copy of the Annual Report has been sent to the e-mail addresses registered with the respective Depository Participant of the shareholders and where such e-mail addresses are not available, physical form of Annual Reports are being sent to the registered addresses of the concerned shareholders.

17. Pursuant to the provisions of Section 72 of the Companies Act, 2013, members are requested to file Nomination Forms in respect of their shareholdings. Any member wishing to avail this facility may submit to the Company's Registrars & Share Transfer Agent the prescribed Statutory Form SH-13. Should any assistance be desired, members should get in touch with the Company's Registrar & Share Transfer Agent.
18. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rules made thereunder, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all resolutions set forth in this Notice.

Voting through electronic means :

- (a) In terms of Clause 35B of the Listing Agreement read with Rule 20 of the Companies (Management & Administration) Rules 2014, facility is provided to the shareholders for e-voting through Central Depository Services (India) Ltd., (CDSL) to enable them to cast their vote electronically on the resolutions mentioned in the Notice of 24thAGM. Accordingly, a member may exercise his vote by electronic means and the Company may pass any resolution by electronic voting system in accordance with the above provisions.
- (b) The Company had sent circular letters to all the shareholders on 16th October, 2014 to record their e-mail IDs with the Share Transfer Agent M/s S.K.D.C Consultants Ltd to enable e-voting by them at the AGM in December, 2014. The Company has fixed Friday, the 14th November, 2014 as cut-off date to record the entitlement of the shareholders to cast their votes electronically in December, 2014 at the 24th AGM.
- (c) Instructions for e-voting :
 - (i) Log on to the e-voting website www.evotingindia.com
 - (ii) Click on "Shareholders" tab
 - (iii) Now enter your User ID
 - a. For CDSL : 16 digits beneficiary ID
 - b. For NSDL : 8 Character DP ID followed by 8 Digits Client ID.
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - (iv) Next enter the Image Verification as displayed and Click on Login.
 - (v) If you are holding shares in demat form and had logged onto www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
 - (vi) If you are a first time user, follow the steps given below :

For Members holding shares in Demat Form and Physical Form	
PAN*	<p>Enter your 10 digit alpha-numeric*PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>* Members who have not updated their PAN with the Company / Depository Participant are requested to use the Sequence Number printed in the Ballot Form for physical shares and covering letter in respect of members receiving e-mail in the PAN held.</p>
Date of Birth	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	<p>Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.</p> <p># Please enter the Date of Birth or Dividend Bank Details in order to log in. If the details are not recorded with the Depository or Company, please enter the number of shares held by you as on the cut-off date ie. 14th November, 2014 in the Dividend Bank details field.</p>

- (vii) After entering these details appropriately, click on "SUBMIT" tab.



- (viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach "Password Creation" menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant option on which you choose to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the resolution and option NO implies that you dissent to the resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK" else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvi) If Demat account holder has forgotten the changed password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Note for non-individual shareholders and custodians
 - Institutional shareholders (ie., other than individuals, HUF, NRI etc.,) are required to log on to www.evotingindia.com and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com
 - After receiving the login details, a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts, they would be able to cast their vote.
 - They should upload a scanned copy of the Board resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

The voting period begins on 14th December, 2014 and ends on 15th December, 2014. During this period, shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date / record date of 14th November, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

Other Instructions :

- i. The e-voting period commences on Sunday, the 14th December, 2014 (9.30 am IST) and ends on Monday, the 15th December, 2014 (05.30 pm, IST). During this period, Members of the Company, holding shares either in physical form or in dematerialised form, as on 14th November, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the Member, he / she shall not be allowed to change it subsequently.
- ii. The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on 14th November, 2014
- iii. Sri. C.V.Madhusudhanan, Partner, KSR & Co Company Secretaries LLP, 101 "Indus Chambers", Government Arts College Road, Coimbatore 641 018(Membership No. FCS 5367 : CP 4408) has been appointed as the Scrutiniser to scrutinize the e-voting process in a fair and transparent manner.
- iv. The Scrutiniser shall, within a period not exceeding 3 (three) working days from the conclusion of the e-voting, period, unblock the votes in the presence of atleast 2 (two) witnesses not in the employment of the Company and make a Scrutiniser's Report of the voters cast in favour or against, if any, forthwith to the Chairman of the Company.



- v. Pursuant to provisions of Clause 35B of the Listing Agreement with Stock Exchange, those members, who do not have access to e-voting facility, may send their assent or dissent in writing on the Ballot Form attached with this AGM Notice in the enclosed self-addressed Business reply envelope so as to reach Sri C.V.Madhusudhanan, Partner, KSR & Co Company Secretaries LLP, 101 Indus Chambers, Government Arts College Road, Coimbatore 641 018, on or before 15th December, 2014. Any Ballot Form received by Post after this date will be treated as if the reply from the Members has not been received.
- vi. The results declared along with the Scrutiniser's Report shall be placed on the Company's website www.indsil.com and on the website of CDSL www.cdslindia.com within 2 (two) days of the passing of the resolutions at the Twenty Fourth Annual General Meeting of the Company on 19th December, 2014 and communicated to Bombay Stock Exchange Limited (BSE) where the shares of the Company are listed.
19. The Company has a designated e-mail id for investor grievances. All the shareholders are requested to mail their grievance to mahadevan@indsil.com

AS THE COMPANY HAS PROVIDED E-VOTING/POSTAL BALLOT VOTING IN TERMS OF CLAUSE 35B OF THE LISTING AGREEMENT, MEMBERS SHALL PLEASE NOTE THAT THERE WILL BE ONLY ONE MODE OF VOTING EITHER THROUGH E-VOTING OR BY POST. THE SCRUTINIZER WILL COLLATE THE VOTES DOWNLOADED FROM THE E-VOTING SYSTEM AND VOTES RECEIVED THROUGH POST TO DECLARE THE FINAL RESULT FOR EACH OF THE RESOLUTIONS FORMING PART OF THE ANNUAL GENERAL MEETING NOTICE.

Place : Coimbatore
Date : 13.11.2014

By Order of the Board

Sd/-
S.MAHADEVAN
Company Secretary.

**STATEMENT OF MATERIAL FACTS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013****ITEM No. 6**

The present term of Office of Sri S.N.Varadarajan, Executive Vice Chairman of the Company which was effective from 17.11.2009 expires on 16.11.2014. The Nomination & Remuneration Committee at its meeting held on 13.11.2014 had recommended the re-appointment and remuneration of Sri S.N. Varadarajan, Executive Vice Chairman of the Company. The Board of Directors of the Company at their meeting held on 13.11.2014 considered the re-appointment of Sri S.N. Varadarajan, Executive Vice Chairman of the Company subject to the approval of the Members. The remuneration and perquisites payable to Sri S.N.Varadarajan, Executive Vice Chairman are in line with the requirements of Section 196, 197 & Schedule V to the Companies Act, 2013. The remuneration for the current financial year will remain the same as that of existing one and is subject to review at any time during the period of appointment as the Board of Directors may revise from time to time duly recommended in that respect by the Nomination & Remuneration Committee.

Save and except Sri S.N. Varadarajan, Executive Vice Chairman and Smt D. Pushpa Varadarajan, Director, Sri Vinod Narsiman, Managing Director being related to Sri S.N.Varadarajan, none of the other Directors are concerned or interested in this resolution.

The Board of Directors recommends the special resolution as set out in Item No.6 of the Notice for the approval of the members.

ITEM No. 7

The Company had, pursuant to the provisions of Clause 49 of the Standard Listing Agreement with the Stock Exchange appointed Dr. A.K.Sreedharan, as an Independent Director in compliance with the requirements of the said Clause.

Pursuant to the provisions of Section 149 of the Companies Act, 2013, which came into effect from 1st April, 2014 every listed Company is required to have atleast one-third of the total number of Directors as Independent Directors, who are not liable to retire by rotation.

Dr. A.K.Sreedharan, a non-executive Director of the Company, has given a declaration to the Board of Directors (Board) that he meets the criteria of Independence as provided under Section 149(6) of the Act.

In the opinion of the Board, Dr. A.K.Sreedharan fulfils the condition specified in the Act and Rules made thereunder for appointment as an Independent Director and he is independent of the management of the Company.

Notice has been received from a member intimating the member's intention to propose the appointment of Dr. A.K.Sreedharan with the relevant deposit as per the provisions of Section 160 of the Companies Act, 2013.

Since as per Section 149 of the Act read together with Schedule IV to the Act, appointment of Independent Directors on the Board of the Company would require sanction of the shareholders, your approval is hereby sought for appointment of Dr.A.K.Sreedharan as an Independent Director of the Company. If appointed, his appointment will be effective for a period of 5 (five) years with effect from 19.12.2014, the date of the Annual General Meeting.

The Board recommends appointment of Dr. A.K.Sreedharan as an Independent Director for a period of 5 (five) consecutive years till 18th December, 2019.

No person, as specified under Section 102(1)(a) of the Act, other than Dr. A.K.Sreedharan is in any way concerned or interested in this resolution proposed to be passed.

ITEM No. 8

The Company had, pursuant to the provisions of Clause 49 of the Standard Listing Agreement with the Stock Exchange appointed Dr. T.C.P.Nambiar as an Independent Director in compliance with the requirements of the said Clause.

Pursuant to the provisions of Section 149 of the Companies Act, 2013, which came into effect from 1st April, 2014 every listed Company is required to have atleast one-third of the total number of Directors as Independent Directors, who are not liable to retire by rotation.

Dr. T.C.P.Nambiar was appointed as an Additional Director of the Company in the meeting of the Board of Directors of the Company held on 27th August, 2014.

He will cease to be an Additional Director at this Annual General Meeting and if he is appointed as an Independent Director his appointment will be effective from 19.12.2014 for a period of 5 (five) consecutive years.

Dr. T.C.P.Nambiar, non-executive Director of the Company, has given a declaration to the Board of Directors (Board) that he meets the criteria of Independence as provided under Section 149(6) of the Act.

In the opinion of the Board, Dr. T.C.P.Nambiar fulfils the condition specified in the Act and Rules made thereunder for appointment as an Independent Director and he is independent of the management of the Company.

Notice has been received from a member intimating the member's intention to propose the appointment of Dr. T.C.P.Nambiar with the relevant deposit as per the provisions of Section 160 of the Companies Act, 2013.



Since as per Section 149 of the Act read together with Schedule IV to the Act, appointment of Independent Directors on the Board of the Company would require sanction of the shareholders, your approval is hereby sought for appointment of Dr.T.C.P.Nambiar as an Independent Director of the Company.

The Board recommends appointment of Dr. T.C.P.Nambiar as an Independent Director for a period of 5 (five) consecutive years with effect from 19th December, 2014, the date of the Annual General Meeting.

No person, as specified under Section 102(1)(a) of the Act, other than Dr. T.C.P.Nambiar is in any way concerned or interested in this resolution proposed to be passed.

ITEM No. 9

The Company had, pursuant to the provisions of Clause 49 of the Standard Listing Agreement with the Stock Exchange appointed Sri. K.Ramakrishnan as an Independent Director in compliance with the requirements of the said Clause.

Pursuant to the provisions of Section 149 of the Companies Act, 2013, which came into effect from 1st April, 2014 every listed Company is required to have atleast one-third of the total number of Directors as Independent Directors, who are not liable to retire by rotation.

Sri. K.Ramakrishnan, non-executive Director of the Company, has given a declaration to the Board of Directors (Board) that he meets the criteria of Independence as provided under Section 149(6) of the Act.

In the opinion of the Board, Sri K.Ramakrishnan fulfils the condition specified in the Act and Rules made thereunder for appointment as an Independent Director and he is independent of the management of the Company.

Notice has been received from a member intimating the member's intention to propose the appointment of Sri K. Ramakrishnan with the relevant deposit as per the provisions of Section 160 of the Companies Act, 2013.

Since as per Section 149 of the Act read together with Schedule IV to the Act, appointment of Independent Directors on the Board of the Company would require sanction of the shareholders, your approval is hereby sought for appointment of Sri K.Ramakrishnan as an Independent Director of the Company. If appointed, Sri K.Ramakrishnan's appointment will be effective from 19.12.2014 for a period of 5 (five) consecutive years.

The Board recommends appointment of Sri K.Ramakrishnan as an Independent Director for a period of 5 (five) consecutive years with effect from 19th December, 2014, the date of the Annual General Meeting.

No person, as specified under Section 102(1)(a) of the Act, other than Sri. K.Ramakrishnan is in any way concerned or interested in this resolution proposed to be passed.

ITEM No. 10

The Company has already availed financial assistance from banks, financial institutions etc., and it might continue to avail such financial assistance from the financial institutions upto a limit of Rs. 500 Crores (Rupees Five Hundred Crores) over and above the aggregate of the paid-up share capital and free reserves.

Since the maximum borrowing limit permissible under Section 180(1)(c) of the Act is restricted to the aggregate of the paid-up share capital of the Company and its free reserves, sanction of the shareholders is sought to permit the Board of Directors (Board) to borrow money upto Rs. 500 Crores (Rupees Five Hundred Crores Only) in excess of the limit as prescribed under the said section.

Such sanction would require approval by the members by passing a special resolution in terms of the provisions of Section 180(1)(c) of the Act.

The Board considers that the proposed special resolution is in the interest of the Company and recommends the same for your approval.

No person, as specified under Section 102(1)(a) of the Act is in any way concerned or interested in this resolution proposed to be passed.

ITEM No. 11

Since the Non-Wholetime (non-executive) Directors devote considerable time to the business of the Company and the Company substantially benefits by their expertise and mature advice, it is appropriate that they are paid suitable remuneration by way of commission not exceeding 1% (one percent) per annum of the net profits of the Company subject to a ceiling of Rs. 6,00,000/- (Rupees Six Lakhs Only) per annum computed in accordance with the provisions of the Companies Act. This remuneration shall be paid in respect of the profits of the Company for each year for a period of three financial years commencing from the financial year 2013-14.

Necessary resolution for payment of commission to Non-Wholetime (Non-Executive) Directors is proposed under item No. 11 as an ordinary resolution for your approval.

All the Directors of the Company may be deemed to be concerned or interested in the aforesaid resolution to the extent of the remuneration that may be received by them.

ITEM No. 12

As per Section 186 of the Act read with the Rules framed thereunder, the Company is required to obtain the prior approval of the Members by way of a special resolution for acquisition by way of subscription, purchase or otherwise, the securities of any other body(ies) corporate or issuance of corporate guarantee(s), the aggregate values of which exceeds 60% of its paid up share capital, free reserves and securities premium account or 100% of the free reserves and securities premium account, whichever is higher. Hence the approval of the shareholders are being sought for enabling the Company to make investment / offer guarantee or security / provide loans, acquire securities to an extent of Rs. 100 Crores over and above the limit within the powers of the Board namely 60% of its paid-up share capital, free reserves and securities premium account or 100% of the free reserves of the Company, whichever is higher. The Board is of the opinion that an enabling resolution as mentioned will empower the Board to tap the opportunities and to utilize the funds in an effective manner.

The Board of Directors of your Company considers that the proposed special resolution is in the interest of the Company and recommends the same for approval.

No person, as specified under Section 102(1)(a) of the Act is in anyway concerned or interested in this resolution proposed to be passed.

ITEM No. 13

Section 2(76) of the Companies Act, 2013 inter alia states that "related party" with reference to a Company, will include any Company which is a holding, subsidiary or an associate company of such Company. Since the Company holds 51% of the paid up share capital of Sree Mahalakshmi Smelters Private Limited as on 30th June, 2014, your Company is the Holding Company of Sree Mahalakshmi Smelters Private Limited as per the definition of the terms in Section 2 of the Act and as such your Company and Sree Mahalakshmi Smelters Private Limited are related parties under the provisions of the Act. Similarly Indsil Energy and Electrochemicals Ltd, Sunmet Holdings (India) Private Limited are also covered under the definition of Related Parties by virtue of it being an associate company.

Pursuant to the enactment of the Act, the Securities & Exchange Board of India has made consequential amendments in the Standard Listing Agreement (Listing Agreement) with the Stock Exchange(s), effective on and from 1st October, 2014. As per the revised Clause 49(VII)(C) of the Listing Agreement, "Material Related Party Transaction" has been defined to include transaction / transactions to be entered into individually or taken together with previous transactions during a financial year, exceeding 10% of the consolidated annual turnover of the Company as per the last audited financial statement of the Company and that such transactions are required to have prior approval of the members of the Company by way of a special resolution. However, Rule 15 of the Companies (Meetings of the Board and its Powers) Rules, 2014 provides for much stricter threshold than the Listing Agreement for seeking shareholders approval by means of special resolution.

The Board of Directors of your Company considers that the proposed special resolution is in the interest of the Company and recommends the same for your approval.

No person, as specified under Section 102(1)(a) of the Act is in any way concerned or interested in this resolution proposed to be passed.

The details of such Material Related Party Transactions are :

Sl. No.	Name of the Related Party	Nature of Transaction	Value of Transaction	Name of director / key managerial personnel deemed to be related
1.	Indsil Energy and Electrochemicals Limited (Associate Company)	Sale / Purchase of raw materials, semi-finished and finished goods	Upto a maximum of Rs.200 Crores.	Sri. S.N. Varadarajan Sri. Vinod Narsiman Smt. D. Pushpa Varadarajan
2.	Sree Mahalakshmi Smelters Private Limited (Subsidiary Company)	Sale / Purchase of raw materials, semi-finished and finished goods	Upto a maximum of Rs.200 Crores.	Nil

The Audit Committee of your Company has approved the Related Party Transactions in its meeting held on 13.11.2014.

As per the provisions of Section 188(1) of the Act, related parties cannot vote on this resolution. Apart from the persons mentioned above, no other person is either interested or concerned in this resolution.

Place : Coimbatore
Date : 13.11.2014

By Order of the Board

Sd/-
S.MAHADEVAN
Company Secretary.



Pursuant to Clause 49(IV)(G)(i) & (ia) of the Listing Agreement with the Stock Exchange, the details of the Directors seeking appointment / re-appointment and appointment of Independent Directors at the forthcoming Annual General Meeting are provided as under :

Annexure to Items 3,4,7,8 & 9 of the Notice on Details of Directors seeking re-appointment at the Annual General Meeting & Details of appointment of Independent Directors at the Annual General Meeting (In pursuance of Clause 49 of Listing Agreement)				
Name	Dr. A.K.Sreedharan	Sri B. Balchand	Sri K. Ramakrishnan	Dr. T.C.P.Nambiar
Date of Birth	18.06.1937	23.02.1945	21.02.1961	26.10.1939
Date of Appointment *Date of forthcoming AGM	19.12.2014*	30.09.1992	19.12.2014*	19.12.2014*
Qualification	M.S (General Surgery), FRCS, FICS (US), FRSH (London)	Senior Cambridge, Ooty	I.T.I. (Industrial Training Institute)	S.S.L.C Registered Medical Practitioner.
Area of experience	Dr. A.K.Sreedharan is a well known person in Palakkad, Kerala having wide contacts in Kerala and considering his rich experience, the Company will be benefited. He is an Independent Director of the Company.	Sri B. Balchand is a reputed businessman of Coimbatore region with considerable contacts among business communities. He is the Chairman of the Company. He is one of the Promoter Directors of the Company.	Sri K.Ramakrishnan is a Director and is also holding the position of Occupier of the factory of the Company. He is having good experience in the technical aspects of the factory equipments that are being utilized for the manufacture of Company's products.	Dr. T.C.P.Nambiar is well connected in Kerala Government Circles, a popular public figure and President of various associations such as Kairali Cultural Association and Secretary of Federation of all India Marundan Malayalee Association. He is a Registered Medical Practitioner.
List of Directorships held in other Indian Companies	Fort Hospital Limited	Mahaveers Saree Private Limited Sarmangal Synthetics Private Limited Sri Kedar Properties Private Limited Sarmangal Properties Private Limited	Sun Metals and Alloys Private Limited	Kairali Garden Private Limited.
Number of Membership in other Committees	Audit Committee - Chairman Nomination & Remuneration Committee - Chairman Compensation Committee - Chairman	Nomination & Remuneration Committee - Member	NIL	Audit Committee - Member Nomination & Remuneration Committee - Member Compensation Committee - Member
Number of Shares held in the Company	NIL	66,666	4,300	NIL
Disclosure of relationships between Directors inter-se	No relationship shared between Directors inter-se.	No relationship shared between Directors inter-se	No relationship shared between Directors inter-se	No relationship shared between Directors inter-se

Place : Coimbatore
Date : 13.11.2014

By Order of the Board

Sd/-
S.MAHADEVAN
Company Secretary.

DIRECTORS' REPORT

Your Directors have great pleasure in presenting the 24th Annual Report of your Company together with the Audited statements of account for the year ended 30th June 2014.

FINANCIAL RESULTS:

₹ in lakhs		
Particulars	2013-14	2012-13
Profit before depreciation and Financial charges	1875.25	718.63
Less : Financial Charges	371.04	295.52
Profit before Depreciation	1504.21	423.11
Less : Depreciation	397.84	379.55
Profit before taxes and extraordinary items	1106.37	43.56
Less : Extraordinary items	--	--
Profit before tax	11069.37	43.56
Less : Provision for Tax	221.36	8.30
Add/Less : Deferred Tax asset/liability (MAT Credit)	(-)200.87	7.01
Profit after tax	1085.88	28.25
Add : Balance brought forward	4641.73	4706.41
Surplus available for appropriation	5727.61	4734.66
Less : Transfer to General Reserve	--	--
MAT Credit Reserve		
Less : Proposed Dividend	190.64	79.43
Less : Tax on proposed Dividend	38.12	13.50
Balance carried over to Balance Sheet	5498.84	4641.73
Paid-up equity share capital	1588.68	1588.68
Earnings per share (₹)	6.84	0.18
Book value per share (₹)	53.20	47.80

REVIEW OF OPERATIONS:

Your Company's financial performance for the year was reasonable when compared to the rest of the ferro alloy industry. This is on account of the decent performance by the hydro electric power division during the year under review. This resulted in lower cost of electricity for the Company for the year as a whole. Therefore, your Company could manage a reasonable financial performance.

The power plant produced 38.23 million units of electricity during the year as against 14.96 million units for the previous year. The Company registered a PBDIT of ₹1875.25 lakhs for the current year as against ₹ 718.63 Lakhs in the previous year. The Company registered a PBT of ₹ 1106.37 lakhs for the current year as against ₹ 43.56 Lakhs for the previous year.

FUTURE PROSPECTS:

The outlook and future prospects of the Company are presented in the "Management Discussion and Analysis Report" forming part of this Report.

RENEWABLE ENERGY CERTIFICATES (REC):

As the members are aware, your Company got successfully registered as an RE generator under the new REC mechanism promulgated by the Central Government. This status entitles the Hydro Power Project of your Company (HPP) to receive Renewable Energy Certificates for every 1000 units of renewable energy produced. These certificates are tradeable in the Indian Energy Exchange (IEX) and Power Exchange India Limited (PXIL). During the year under review, your Company could realize ₹ 2,42,58,000/- being the sale proceeds of 16172 REC units. As on date, your Company has RECs for a total value of ₹ 6,51,78,000/-

As per current indications there is scope for demand for RECs as there is a momentum towards complying with Renewable Purchase Obligations (RPO) of RECs. With RPO compliance drive initiated by various State Regulators in the Country, it is expected that the buyer's participation for RPO's would increase in the forthcoming trading sessions.

JOINT VENTURE - AL-TAMMAN INDSIL FERRO CHROME LLC

The Joint Venture ferro chrome manufacturing operations in Sultanate of Oman commenced full scale commercial production from April, 2014 onwards.



SREE MAHALAKSHMI SMELTERS (P) LTD (SMS) - SUBSIDIARY OF THE COMPANY:

The capacity of SMS plant was upgraded from 5 MVA to 7.5 MVA for the manufacture of Low Carbon Silico Manganese from that of High Carbon Silico Manganese. The State of Andhra Pradesh faced severe powercut during the period under review resulting in under-utilisation of operations resulting in the subsidiary not being able to operate at its full capacity. This, in turn, resulted in the subsidiary suffering financial losses.

CONSOLIDATED FINANCIAL STATEMENTS:

The consolidated financial statements by consolidating the accounts of the Company, Sree Mahalakshmi Smelters Private Limited (Subsidiary of the Company) & the JV Company M/s Al-Tamman Indsil Ferro Chrome LLC, Sultanate of Oman under the applicable Accounting Standards of the Institute of Chartered Accountants of India form part of this Annual Report.

DIVIDEND:

Your Directors recommend payment of dividend at 12% on the equity share capital of ₹15,88,67,920 for the year ended 30th June, 2014. The dividend, if approved, will be paid to those members whose names appear on the Register of members of the Company as on 15th December, 2014 the date fixed for the purpose, subject to the approval of the shareholders.

The aggregate dividend payout for the year 2013-14 amounts to ₹ 228.76 Lakhs including corporate dividend tax.

BOARD COMMITTEES

During the year, your Directors have re-constituted the Committees of the Board, as mandated under the Companies Act, 2013 and revised Clause 49 of Listing Agreement.

a. Corporate Social Responsibility Committee :

The Committee is being constituted. Meanwhile, your Company has already commenced its Corporate Social Responsibilities even from last year. As part of its socio-economic activities and to emphasize integral development of societal needs in and around its areas of operations, your Company had made its humble contributions to institutions viz: Swami Vivekananda Medical Mission, Palakkad, Kerala, Divine Province Funding Home, Rajakkad, Idukki District, Kerala. St. Benedict Church, Kuthungal, Idukki District, Kerala, Government Higher Secondary School, Rajakkad, Idukki District, Kerala and Unnadhi Training Centre, Coimbatore which are engaged in Community Mental Health Programme, Eye camps, Mobile Medical Utilities, protection, welfare and development of abandoned children and uplifting the below poverty-line children and such other social activities.

The amount so far contributed including that of last year is ₹ 21.69 Lakhs and your Company will continue its pursuit to fulfill its Corporate Social Responsibilities in future as well, as and when the Company's budget allows.

b. Audit Committee:

The Audit Committee has been reconstituted with the scope of activities set out in Clause 49 of the Listing Agreement with the Stock Exchange read with section 177 of the Companies Act, 2013. The Committee consists of Dr. A.K. Sreedharan, Chairman, Dr.T.C.P. Nambiar and Sri Vinod Narsiman, Members.

c. Stakeholders' Relationship Committee

This Committee considers and resolves the grievances of security holders of the Company. The said Committee comprises of Sri S. Inderchand as Chairman and Smt. D.Pushpa Varadarajan as Member.

d. Nomination & Remuneration Committee :

The scope of work and/or terms of reference for the said Committee, inter alia, includes matters as stated under Section 178(2) and 178(3) of the Companies Act, 2013 read with applicable provisions of the Listing Agreement. The Committee comprises of Dr. A.K.Sreedharan as Chairman and Dr. T.C.P.Nambiar & Sri B.Balchand as Members.

e. Compensation Committee :

The Compensation Committee deals with the allocation of ESOS under Indsil ESOS scheme to the eligible employees. The Committee consists of Dr. A.K. Sreedharan as Chairman and Sri Vinod Narsiman and Dr. T.C.P. Nambiar as members.

f. Vigil Mechanism :

The Board has constituted Vigil Mechanism as per Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014. The Audit Committee has been authorized to oversee the Vigil Mechanism. Sri Vinod Narsiman, Managing Director has been nominated to facilitate the Vigil Mechanism.

The Vigil Mechanism is intended to provide adequate safeguards against victimization of employees and to facilitate to report their genuine concerns or grievances.

EMPLOYEE STOCK OPTION SCHEME :

The Company implemented the Employee Stock Option Scheme ("Scheme") in accordance with the Securities Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999. The Compensation Committee, constituted in accordance with the SEBI Guidelines, administers and monitors the Scheme.

The applicable disclosures as stipulated under the SEBI Guidelines as at 30th June, 2014 are given below:
The total number of options in force:

	On 28.1.2009	On 30.4.2010
Options granted	64,500	18,500
Exercise Price	₹ 10	₹ 10

For options granted on 28.1.2009 :

As per the Scheme, the following options were exercised by the first set of eligible employees as per details shown below :

A. First set of eligible employees

Tranche	No. of options exercised @ 25% for each tranche	No of shares transferred from ESOS Trust to eligible employees	Bonus Shares transferred from ESOS Trust to eligible employees	Total shares transferred from ESOS Trust to eligible employees	No. of options lapsed
I st Tranche	16125	16125	-	16125	NIL
II nd Tranche	16125	16125	10750	26875	NIL
III rd Tranche	16125	16125	10750	26875	NIL
IV th Tranche	11750	11750	7833	19583	4375*
TOTAL	60125	60125	29333	89458	NIL

* alongwith 2,917 bonus shares

Balance shares in Trust account 7,292

Money realized by exercise of options ₹ 6,01,250/-

Any employee who received grant of options in any one year amounting to 5% or more of options granted during the year : NIL

Identified employees, who were granted options, during any one year, equal to or exceeding 1% of the issued capital of the Company at the time of grant : NIL

Diluted Earnings Per Share (EPS) pursuant to issue of share on exercise of options calculated in accordance with Accounting Standard (AS) 20 "Earnings per Share" : ₹ 6.84

The issue of equity shares pursuant to exercise of options will affect the statement of Profit & Loss of the Company, as the exercise has been made at par value of ₹ 10/- per share.

For options granted on 30.4.2010

As per the Scheme, the following options were exercised by the second set of eligible employees as per details shown below:

B. Second Set of eligible employees

Tranche	No. of options exercised @ 25% for each tranche	No of shares re-issued from ESOS Trust to eligible employees	Bonus Shares re-issued from ESOS Trust to eligible employees	Total shares re-issued from ESOS Trust to eligible employees	No. of options lapsed
I st Tranche	4625	4625	3081	7706	NIL
II nd Tranche	4625	4625	3081	7706	NIL
III rd Tranche	4625	4625	3081	7706	NIL
IV th Tranche	4000	4000	2665	6665	625*
TOTAL	17875	17875	11908	29783	625

* alongwith 416 bonus shares

Balance shares in Trust account : 1050

Money realized by exercise of option : Rs. 1,78,750/-

Balance number of shares in Trust Account : 8342 (A + B)

C. 5000 options were granted to Sri Rajan Jose, : 5000
General Manager (Works) under Accelerated Vesting. Accordingly shares were transferred from ESOS Trust Account on receipt of remittance of Rs. 50,000/- from him to ESOS Trust Account which was subsequently transferred from ESOS Trust Account to the Company.

Balance number of shares in Trust Account : 3342
as on 11th October, 2014

The Company has received a Certificate from the Auditors of the Company that the Scheme has been implemented in accordance with the SEBI Guidelines and the resolution passed by the shareholders. The Certificate would be placed at the Annual General Meeting for inspection by members.

The audited accounts placed before the shareholders in this meeting have been prepared recognizing the employee compensation cost using the intrinsic value.

INSURANCE:

All the properties of the Company including buildings, plant & machinery and stocks have been adequately insured.

CORPORATE WEBSITE :

The website of your Company, www.indsil.com carries a comprehensive database of information of interest to the stakeholders including the corporate profile, information with regard to products, plants and various depots, financial performance of your Company and other details.

DIRECTORS:

Dr. Rama Iyer resigned from the Board with effect from 27th May, 2014. The Board of Directors took on record the same at their meeting held on 27th August, 2014 and expressed their appreciation to Dr. Rama Iyer for his contribution to the Company as Director during his tenure of Office.

Dr. T.C.P.Nambiar was co-opted as an Additional Director with effect from 27th August, 2014. The appointment of Dr. T.C.P.Nambiar as an Independent Director of the Company is placed before this meeting for your approval.

Dr. A.K.Sreedharan and Sri B. Balchand are retiring by rotation at the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment.

Dr. A.K.Sreedharan, Sri K. Ramakrishnan and Dr. T.C.P.Nambiar are proposed to be appointed as Independent Directors and such proposals are placed before the members in this Annual General Meeting for approval.

AUDITORS:

The Board of Directors of the Company recommend M/s Raja & Raman, Chartered Accountants, Coimbatore, the retiring Auditors to be reappointed as Statutory Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting for the financial year 2014-15 subject to the approval of the shareholders in the ensuing Annual General Meeting. The said item regarding appointment of M/s Raja & Raman, Auditors is placed before the shareholders for their approval.

INTERNAL AUDITOR

The Board has appointed Ms. K.R.Divya, Chartered Accountant, 1055/11 Gowtham Centre, 1st Floor, Avanashi Road, Coimbatore 641 018 as Internal Auditor pursuant to the provisions of Section 138 of the Companies Act, 2013 to conduct the internal audit functions and to report to the Audit Committee.

AUDITOR'S REPORT & ACCOUNTING POLICIES

The Auditors' Report read with the Notes on Accounts are self-explanatory and do not require any further clarification.

A statement detailing significant Accounting Policies of the Company is annexed to the Accounts.

SECRETARIAL AUDIT REPORT :

Pursuant to Section 204 of the Companies Act, 2013, a Company is required to appoint a Practising Company Secretary as Secretarial Auditor for the financial year ending 30th June, 2015.

Accordingly the Board of Directors have appointed KSR & Co Company Secretaries LLP, a Firm of Practising Company Secretaries in Coimbatore as the Secretarial Auditor for the aforesaid financial year.

COST AUDITOR

Pursuant to Order No. F.NO.52/26/CAB-2010 dated 2nd May, 2011 read with provisions as contained under Cost Accounting Records (Petroleum Industry) Rules, 2002 and General Circular No. 15/2011 dated 11th April, 2011 as issued by Cost Audit Branch of the Ministry of Corporate Affairs, your Company had appointed Sri B.Venkateswar, Cost Accountant for conducting audit of the Cost Accounting Records of the Company for the year 2013-14. The said appointment, has been made pursuant to Section 233B of the Companies Act, 1956 (presently Section 148 of Companies Act, 2013) and the audit is underway.

FIXED DEPOSITS

There were no Fixed Deposits from the public outstanding with the Company at the end of the financial year.

MANAGEMENT DISCUSSION & ANALYSIS REPORT

Management Discussion and Analysis Report for the year under review as stipulated under Clause-49 of the Listing Agreement with the Stock Exchange is presented in a separate section forming part of this Annual Report.

DIRECTORS' RESPONSIBILITY STATEMENT UNDER SECTION 217 (2AA) OF THE COMPANIES (AMENDMENT ACT) 2000

The Board of Directors report that:

1. in the preparation of the annual accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departures.
2. 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 fair view of the state of affairs of the Company at the end of the year and of the profit of the Company for that year.
3. 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.
4. the Directors have prepared the annual accounts on a going concern basis.



CORPORATE GOVERNANCE

A separate section on Corporate Governance and a Certificate from KSR & Co Company Secretaries LLP regarding compliance of conditions of Corporate Governance form part of this Annual Report.

INDUSTRIAL SAFETY

Your Company has laid high emphasis on safety of all the personnel and mitigation of damage to equipment. The Company has thoroughly followed all the safety measures.

PARTICULARS REQUIRED UNDER SECTION 217 (1)(e) & SECTION 217(2A) OF THE COMPANIES ACT, 1956

Particulars required under Section 217 (1)(e) of the Companies Act, read with relevant rules are annexed in Annexure-A. Information in accordance with Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 is given in Annexure-B of this Report.

DECLARATION

The Company has been regular in filing all forms and returns with the Registrar of Companies as required under the Companies Act, 2013 and has not defaulted in payment of dividends. Accordingly, the Company has not committed any of the defaults specified under Section 184 (1) read with Rule 9 (1) of the Companies Act, 2013 disqualifying its Directors to act as Directors of other companies.

ACKNOWLEDGEMENTS

Your Directors are extremely thankful to State Bank of Travancore, The Federal Bank Limited, IDBI Bank Limited, Yes Bank Limited and Standard Chartered Bank for their continued support.

Your Directors acknowledge and express their grateful appreciation for the co-operation and support received from Government Authorities, Kerala State Industrial Development Corporation, Employees, Customers and Suppliers. They also thank the Shareholders for the confidence reposed by them in the management of the Company and for their continued support and co-operation.

Place : Coimbatore
Date : 13.11.2014

For and on behalf of the Board

Sd/-
S.N. VARADARAJAN
Executive Vice Chairman

ANNEXURE TO DIRECTORS' REPORT

ANNEXURE 'A'

INFORMATION REQUIRED UNDER SECTION 217 (1)(e) OF THE COMPANIES ACT, 1956.

I. CONSERVATION OF ENERGY

- a. Energy conservation measures : At the time of installation of the equipment, sufficient devices have already been incorporated to conserve energy. These devices and furnace operation practices based on indigenous technology have resulted in maintaining the industry standards of consumption.
- b. Additional Investments proposed for reduction in consumption of energy : Nil
- c. Impact of measures at (a) and (b) above for energy conservation : Nil
- d. Total energy consumption per unit of production as per Form A of the Annexure in respect of industries specified. : As per the prevailing rules, ferro alloys and power generation are excluded industries for the purpose of this information.

II. TECHNOLOGY ABSORPTION

- a. Research & Development : The Company through R&D in process control has consistently improved the performance through innovative practices developed and perfected in-house.
- b. Benefits derived as a result of the above R&D : The metallurgical balance and recovery rates achieved through in-house R&D has made this Company outstanding in performance when compared with other industries in this class.
- c. Future plan of action : To concentrate on in-house R&D
- d. Expenditure on R&D : Nil.
- e. Technology absorption, adoption & innovation : The Company's indigenous technological methods have already yielded results that match well with imported ones.

III. FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars	2013-14 (₹ in lakhs)	2012-13 (₹ in lakhs)
1. Earnings (Export)	8286.19	5777.37
2. Expenditure in Foreign Currency		
a. Subscription & Others	0.83	9.46
b. Travelling Expenses	7.24	2.57
c. Net dividend	--	0.01

- Initiatives taken to increase exports : The Company is taking efforts to increase the exports by constant quality improvements, change of product and penetrating a wider customer base.



ANNEXURE 'B'

Information pursuant to Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules 1975:

Name	Age in years	Designation	Remuneration ₹	Qualification	Experience	Date of Commencement of employment	Last employment before joining the Company
Sri S.N.Varadarajan	68	Chairman upto 26.8.2014 Executive Vice Chairman w.e.f 27.8.2014	42,65,018	B.Com	33	3.9.1992	Sun Metals & Alloys Pvt. Ltd.
Sri Vinod Narsiman	42	Managing Director	42,65,018	B.E., MBA (University of Michigan)	18	18.1.1997	--

Place : Coimbatore
Date : 13.11.2014

For and on behalf of the Board

Sd/-
S.N. VARADARAJAN
Executive Vice Chairman

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

(Pursuant to Clause 49 of the Listing Agreement with Stock Exchange)

a. INDUSTRY STRUCTURE AND DEVELOPMENTS :

The Company is a part of the ferro alloy industry. Ferro alloys refer to a range of compounds that find application in producing steel and stainless steel. Manganese, chrome and silicon alloys form a majority of the bulk of ferro alloys produced. While Chromium alloys are used in the production of stainless steel, manganese alloys are used in the production of steel and some specialized grades of manganese alloys are used in specific grades of stainless steel making.

Your Company produces a specialized variety of low carbon silico manganese alloys which are primarily used in stainless steel making as well as in some specific carbon steel grades.

During the year under review, the manganese industry struggled to cope with issues of over capacity and sluggish demand. Steel and stainless steel industries globally are going through a prolonged phase of demand slow down

b. OPPORTUNITIES AND THREATS :

Your Company's investment in the Oman Joint Venture is expected to pay dividends very soon and the Company has already started collecting Marketing Fees for the operations. With the slated expansions in the Oman JV, the Company's income from that operation by way of Marketing Fees and dividends will continue to grow in the future.

The Andhra Pradesh subsidiary, Sree Mahalakshmi Smelters Pvt Ltd continues to suffer on account of lack of adequate power availability and payment of back charges for electricity.

c. SEGMENT WISE PERFORMANCE :

SMELTER DIVISION :

The table given below gives the operational details of the two segments of your Company viz., ferro alloy segment and power segment.

PARTICULARS	FERRO ALLOY	POWER
Production (MT)	12640	38.23 million units
Sales (MT)	12770	38.23 million units
Revenue in ₹ Lakhs	11753	2386
PBDIT in ₹ Lakhs	(345)	2221

The production levels were at 12640 MT as compared to 10429 MT for the corresponding previous year. The revenue levels were at ₹ 11753 lakhs for 2013-14 as compared to ₹ 9865 lakhs for the corresponding previous year due to high cost import of power on commercial tariff and other input related costs.

POWER DIVISION :

The domestic operations of your Company consists of an Hydro Electric Power Plant of 21 MW capacity. It generated 38.23 Million units during the financial year as compared to 14.96 Million units during the previous year.

The hydro division was successfully registered as an RE generator under the new REC mechanism promulgated by the Central Government. The status entitles the HPP to receive Renewable Energy Certificates for every 1000 units of Renewable Energy produced. These certificates are tradeable and the Company expects sizeable income from this activity. It is expected that the demand for REC will have a significant turn around in the market in view of regulators implementing the mandatory requirements for Renewable Purchase Obligations (RPO) of Renewable Energy Certificates (RECs) by the concerned entities that are required to purchase RECs.

d. RISKS AND CONCERNS :

Already covered under "Threats".

e. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY :

i) COST CONTROL

Every single cost item goes through a thorough internal audit and in several stages as well. As part of the cost control system, every single aspect of costs goes through stringent pre-expenditure checks and audits as well.

ii) OPERATIONS

Process and deliverables pass through stringent control systems on a continuous basis. These systems are highly adequate and in fact play a vital role in productivity, growth, efficiency, improvement etc.,

f. FUTURE PROSPECTS

The Company's investment in the Oman JV project to produce ferro chrome will start paying dividends from the end of the year (2014). The income stream will be in the form of marketing fee per ton of ferro chrome produced as well as dividends, if any, from the profits accrued. Subject to the success of the first phase of the ferro chrome project, your Company plans further investments in the JV to potentially double capacity of the ferro chrome smelter.

Considering the expected stainless steel consumption in 2015, it is predicted that there will be an increase in the consumption of ferro alloys.

g. CAUTIONARY FORWARD-LOOKING STATEMENTS :

The Company makes forward-looking statements that are subject to risks and uncertainties. All statements that address expectations or projections about the future, including, but not limited to, statements about the Company's strategy for growth, market position and financial results are forward-looking statements.

For those statements the Company cautions that numerous important factors could affect the Company's actual results and could cause its results to differ materially from those expressed in any such forward-looking statements. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements on the basis of any subsequent developments, information or events.

h. FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

₹ in lakhs

Particulars	30 th June, 2010	30 th June, 2011	30 th June, 2012	30 th June, 2013	30 th June, 2014
I. OPERATING RESULTS :					
1. Sales	10626	9161	5686	9761	11633
2. Operating Profit (PBITD)	2044	1796	1558	719	1875
3. Interest	149	73	248	296	371
4. Depreciation	349	354	367	380	398
5. Taxes	188	292	(61)	15	21
6. Net Income (PAT)	1358	1054	1003	28	1086
7. Dividend Percentage	15%	10%*	10%*	5%	12%
Dividend Amount	143	159	159	79	191
Dividend Tax	24	26	26	13	38
8. Production :					
- Ferro Alloys (MT)	12496	11498	6826	10429	12640
- Power (Lakh KWH)	378	431	435	149	382

*Post bonus shares issued@ 2 shares for every 3 shares held (2:3)

**FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE (Contd.)**

₹ in lakhs

Particulars	30 th June, 2010	30 th June, 2011	30 th June, 2012	30 th June, 2013	30 th June, 2014
II. PERFORMANCE PARAMETERS:					
1. Share capital	951	1589	1589	1589	1589
2. Reserves & Surplus	5005	5247	6069	6006	6863
3. Secured Loans	588	1083	1877	3996	2292
4. Deferred liabilities	1112	1123	1555	1370	1507
5. Fixed Assets (Gross Block)	8674	8980	9271	9478	9530
6. Accumulated Depreciation	(3906)	(4260)	(4623)	(4995)	5390
7. Investments	829	527	463	2166	2192
8. Net Current Assets	2059	3786	5779	6312	2565
III. RATIOS :					
1. Profit after tax/ Sales (%)	12.79	10.23	17.66	0.32	9.33
2. Return on Net worth (%)	22.20	15.43	13.11	0.37	12.85
3. Earnings per share (₹)	14.34	7.55*	6.32*	0.18*	6.84*
4. Cash Earnings per share (₹)	17.95	8.87*	8.63*	2.57*	9.34*
5. Debt Equity ratio	0.04	0.10	0.07	0.05	1.23
6. Book Value per share (₹)	62.61	43.03*	48.20*	47.80*	53.20*

*Post bonus shares issued@ 2 shares for every 3 shares held (2:3)

i. HUMAN RESOURCES:

Your Company has always endeavoured to retain quality man power talent. Conscious efforts are on to develop an HR policy accordingly, giving thrust for effective participation of potential human resources at all levels in the activities of the Company.

The HR policy has been designed so as to give thrust on a transparent and performance-driven work culture which ensures challenges and opportunities for the deserving. The Company in fact, adopts intensive selection process to ensure that best talents with great attitude are recruited so that the culture of team work and dedication remain intact.

Place : Coimbatore
Date : 13.11.2014

For and on behalf of the Board
Sd/-

S.N. VARADARAJAN
Executive Vice Chairman

REPORT ON CORPORATE GOVERNANCE

(Pursuant to Clause 49 of the Listing Agreement)

As required by Clause 49 of the Listing Agreement with Stock Exchange, a report on corporate governance is furnished herebelow :

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

INDSIL is committed to maintaining the highest levels of corporate governance practices, which are essential to the enhancement in the stakeholders value and for the very success of the Company. Its corporate governance practices meet Stock Exchange corporate governance guidelines and other regulatory requirements to ensure transparency and effective governance of the Company. The Board of Directors of the Company reviews its corporate governance in the light of developing requirement in the field and as new provisions come into effect, such provisions are complied with where appropriate.

INDSIL is endeavoring to become a leading advocate for sustainability in business as the key to value creation and growth in the process.

The forms and substance of transactions are reasonably representing the Company's state of affairs and the profits for the year.

2. BOARD OF DIRECTORS

Statutory and material information are placed before the Board on quarterly basis and thus the Board discharges its responsibility in an effective manner.

a. (i) Present Composition of Board of Directors:

The Board comprises of nine Directors who in turn in their individual capacity bring collective wisdom to the welfare of the Company.

The present Board of Directors consists of:

- Two Executive Directors namely Sri S.N.Varadarajan, Executive Vice Chairman and Sri Vinod Narsiman, Managing Director. Both of them are Non-independent Directors.
- There are seven Non-Executive Directors namely Sri B. Balchand, Dr. A.K.Sreedharan, Sri S.Inderchand, Sri K.S.Mahadevan, Smt D.Pushpa Varadarajan, Dr.T.C.P.Nambiar and Sri K.Ramakrishnan. Smt D.Pushpa Varadarajan, Sri S.Inderchand, Sri B.Balchand, Sri K.S.Mahadevan are Non-Executive Non-Independent Directors and the other Directors Dr. A.K.Sreedharan, Dr. T.C.P Nambiar and Sri K. Ramakrishnan are Non-Executive Independent Directors. Sri B. Balchand is the Non-Executive Chairman of the Company.

(ii) Appointment / Re-appointment of Directors

In terms of Clause 49 of the Listing Agreement with the Stock Exchange, a brief resume of Directors proposed to be re-appointed and Independent Directors to be appointed, nature of their expertise, their other directorships and committee memberships, their shareholdings, if any, are provided.

b. Board Meetings and attendance:

During the year, Six Board meetings were held and the gap between two meetings did not exceed four months. The Board meetings were held on 03.07.2013, 26.8.2013, 07.11.2013, 13.12.2013, 10.02.2014 & 05.05.2014.

The names and categories of the Directors on the Board, the attendance at Board meetings during the year and at the last Annual General Meeting and also the number of directorships and committee/chairmanships held by them in other companies and the shares held by non-executive Directors are given below:

Name of the Directors	Board Meetings	Audit Committee Meetings	Shareholders'/ Investors' Grievance Committee Meetings	Share Transfer Committee Meetings	Last AGM Attended (Yes/No)	No. of shares held by non-Executive Directors
Sri S.N. Varadarajan	6	-	-	-	Y	N.A
Sri Vinod Narsiman	6	4	-	-	Y	N.A
Smt. D. Pushpa Varadarajan	6	-	1	9	Y	5,30,208
Sri S. Inderchand	6	4	1	9	Y	1,44,630
Sri B. Balchand	5	-	-	-	Y	66,666
Sri K.S. Mahadevan	6	-	-	-	Y	93,000
Dr. S. Rama Iyer	1*	-	-	-	N	--
Dr. A.K. Sreedharan	6	4	-	-	Y	--
Sri K. Ramakrishnan	6	-	-	-	Y	4,300

* Dr. S. Rama Iyer resigned from the Board w.e.f 27th May, 2014.

c. Directorship and Committee Membership held in other companies

Name of the Directors	Directorship held in other Companies		Committee Membership held in other Companies	
	As Director	As Chairman	As Member	As Chairman
Sri S.N. Varadarajan	8	-	-	-
Sri Vinod Narsiman	7	-	-	-
Smt. D. Pushpa Varadarajan	10	-	-	-
Sri S. Inderchand	4	-	-	-
Sri B. Balchand	4	-	-	-
Sri K.S. Mahadevan	2	-	-	-
Dr. S. Rama Iyer	6*	-	-	-
Dr. A.K. Sreedharan	1	-	-	-
Sri K. Ramakrishnan	1	-	-	-

* Dr. S. Rama Iyer resigned from the Board w.e.f 27th May, 2014.

All the above Directorship in other companies includes private limited companies and unlisted public limited companies. None of the Directors in the Board is a member of the Committees of more than 10 Companies and Chairman of more than five Companies (as specified in Clause 49), across all the Companies in which any one is a Director. The necessary disclosures regarding the Committee positions have been made by all the Directors.

d. Changes in the composition of Directors:

Pursuant to Section 149 (6) of the Companies Act, 2013 and Clause 49 of the Listing Agreement of Bombay Stock Exchange Limited, the Board has been reconstituted as furnished below :

Executive Non-Independent Directors	Non-Executive, Non-Independent Directors	Non-Executive Independent Directors*
Sri S N Varadarajan Executive Vice Chairman	Smt. D Pushpa Varadarajan Sr. S Inderchand Sri B Balchand	Dr. A K Sreedharan Dr. T C P Nambiar Sri K Ramakrishnan
Sri Vinod Narsiman Managing Director	Sri K S Mahadevan	

*Subject to the approval of the shareholders in this Annual General Meeting.

e. Code of Conduct

The Company has adopted the Code of Conduct for Directors and Senior Management. This Code of Conduct helps to maintain the standards of business conduct for the Company and ensures compliance with legal requirements by the Company. The purpose of the code is to deter wrong doing and promote ethical conduct. All the Board Members and Senior Management personnel have affirmed compliance with the Code on an annual basis.

f. DETAILS OF REMUNERATION PAID OR PAYABLE TO DIRECTORS DURING 2013-14

The remuneration paid / payable to the Executive Directors are provided elsewhere in the report and accounts.

At present, the Company pays sitting fees to all the Non-Executive Directors at the rate of Rs.2,500/- for attending each meeting of the Board and/or Committee thereof in terms of Clause 70 of the Articles of Association of the Company.

It is proposed in this Annual General Meeting that a sum not exceeding 1% (one percent) of the annual net profits of the Company computed in accordance with the provisions of Companies Act, 2013 and subject to an overall ceiling of Rs. 6,00,000/- per year, is payable to and amongst the non-whole-time (Non-Executive) Directors of the Company.

3. AUDIT COMMITTEE

The Audit Committee has been re-constituted with scope of activities as set out in Clause 49 of the Listing Agreement with the Stock Exchange read with Section 177 of the Companies Act, 2013.

a. Composition

The Committee is re-constituted with Dr. A.K. Sreedharan, Independent Director as Chairman of the Committee and Dr. T.C.P.Nambiar, Independent Director and Sri Vinod Narsiman as members.

b. Terms of reference

The primary objective of this Committee is to monitor and provide effective supervision of the financial control and reporting process. The terms of reference of the Audit Committee are in tandem with those laid down by Stock Exchange regulations and the provisions of the Companies Act. In particular, the Committee would review the financial reporting process, internal audit process, adequacy of internal control systems, risk management policies and management audit process. The Committee would also adopt matters such as Auditors' Report, appointment of statutory auditors and fixation of their remuneration before consideration by the Board of Directors.

The Chairman of the Audit Committee Dr. A.K. Sreedharan was present at the Annual General Meeting held on 13.12.2013.

Company Secretary is the Secretary of the Audit Committee.

c. Vigil Mechanism :

The Board has constituted Vigil Mechanism as per Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014. The Audit Committee has been authorized to oversee the Vigil Mechanism. Sri Vinod Narsiman, Managing Director has been nominated to facilitate the Vigil Mechanism.

The Vigil Mechanism is intended to provide adequate safeguards against victimization of employees and to facilitate to report the genuine concerns or grievances.

4. SHAREHOLDERS'/INVESTORS' GRIEVANCE COMMITTEE

a. Composition

The Shareholders'/Investors' Grievance Committee was constituted by the Board on 30.07.2001 and it comprises of Sri S. Inderchand (Chairman) and Smt. D. Pushpa Varadarajan (Member).

b. Terms of reference

The terms of reference of this Committee encompasses formulation of shareholders'/investors' servicing policies, looking into redressal of shareholders and investors complaints viz. transfer of shares, non-receipt of Annual Reports, non-receipt of declared dividends etc., and deciding on any other matter as may be required in connection with the shareholders'/investors' servicing and redressal of their grievances.

c. Committee meetings

The Shareholders'/Investors' Grievances Committee met on 13th November, 2014 and reviewed the grievances / complaints received and the action taken on the grievances / complaints.

Complaints Status from 1.7.2013 to 30.6.2014.

- * Number of shareholders' complaints received so far (including dividend revalidation requests, non receipt of dividend Warrant and non receipt of Annual Reports) : Nil
- * Number not solved to the satisfaction of shareholders : Nil
- * Number of pending complaints : Nil

5. SHARE TRANSFER COMMITTEE

a. Composition

To expedite the process of share transfers, the Board has delegated the powers of share transfers to a Committee comprising of two Directors namely Sri S. Inderchand (Chairman) and Smt. D. Pushpa Varadarajan (Member).

b. Terms of reference

This Committee approves transfers, deletion of the names of deceased shareholders, transmission of shares, issue of duplicate share certificates, issue of fresh share certificates as a result of splitting of share certificates and the like. The business transacted at the Share Transfer Committee meetings is placed before the Board regularly.

c. Committee Meetings

During 2013-14, 9 meetings of the Committee were held on 20.07.2013, 17.08.2013, 07.09.2013, 19.10.2013, 30.11.2013, 30.12.2013, 22.01.2014, 29.03.2014 & 26.04.2014. The number of share transfer committee meetings attended by the Directors are as follows:

Member	Committee meetings attended
Sri. S.Inderchand	9
Smt.D. Pushpa Varadarajan	9

6. NOMINATION & REMUNERATION COMMITTEE

a. Composition

It presently consists of two independent Directors and one Non Independent Director with Dr.A.K.Sreedharan (Chairman), Dr. T.C.P.Nambiar and Sri.B.Balchand (Members).

b. Terms of reference

The role of the Nomination and Remuneration Committee is to give recommendations to the Board regarding the Company's policy and specific remuneration packages of the Executive Directors including pension rights and any compensation payments.

7. COMPENSATION COMMITTEE

a. Composition

The Committee is re-constituted by the Board with Dr. A.K. Sreedharan, Dr. T.C.P.Nambiar, Independent Directors and Sri Vinod Narsiman, Managing Director. Dr. A.K. Sreedharan is the Chairman of the Committee.

b. Terms of reference

The terms of reference of this Committee is to administer the Indsil Hydro Power and Manganese Limited Employee Stock Option Scheme "INDSIL-ESOS 2008".

**GENERAL BODY MEETINGS**

Last three Annual General Meetings were held as per details shown below :

Year	Location	Date	Time
2013	Chamber Towers 8/732 Avanashi Road Coimbatore 641 018	13-12-2013	10.15 A.M.
2012	Chamber Towers 8/732 Avanashi Road Coimbatore 641 018	17-12-2012	10.15 A.M.
2011	Chamber Towers 8/732 Avanashi Road Coimbatore 641 018	14-12-2011	10.00 A.M.

DISCLOSURES

1. Disclosure on related party transactions i.e transactions of the Company with its promoters, directors or the management, relatives, bodies corporate in which the directors are interested etc., are annexed elsewhere in the Annual Report.
2. In compliance of Clause 49(1)(B) of the Listing Agreement, it is disclosed that the Company does not have any pecuniary relationship or transactions with its Non-Executive Directors during the financial year ended 30th June, 2014.
3. The Company has complied with all the mandatory requirements and the Company has at present not adopted the non mandatory requirements of corporate governance except for certain clauses regarding Nomination and Remuneration Committee. However, in line with its policy to ever improve the good corporate governance practices, it is proposed to adopt all such practices in due course of time.
4. The accounting treatment as prescribed in the Accounting Standards has been followed in the preparation of financial statements.

EMPLOYEE STOCK OPTION SCHEME:**A. 64,500 OPTIONS GRANTED TO FIRST SET OF ELIGIBLE EMPLOYEES**

Out of 64,500 options allotted to the 1st set of eligible employees, 60,125 options were exercised and 60,125 shares were allotted to the eligible employees in four tranches as detailed below :

Name of the Employee	Total No. of Options granted	Total No. Options Exercised			
		Ist tranche of transferred by the Trust	IInd tranche of transferred by the Trust	IIIRD tranche of transferred by the Trust	IVth tranche of transferred by the Trust
Sri S Mahadevan	10,000	2,500	2,500	2,500	2,500
Sri V Natarajan	10,000	2,500	2,500	2,500	2,500
Smt B Meenakshi	10,000	2,500	2,500	2,500	Nil
Sri K Rajan Jose	7,500	1,875	1,875	1,875	1,875
Sri M Kannan	7,500	1,875	1,875	1,875	Nil
Sri K Ramakrishnan	7,500	1,875	1,875	1,875	1,875
Sri S Chakrapani	5,000	1,250	1,250	1,250	1,250
Sri M P L Sukumar	3,000	750	750	750	750
Sri K Jayasurian	2,000	500	500	500	500
Sri N Sundararajan	2,000	500	500	500	500
Total	64,500	16,125	16,125	16,125	11,750

The above shares under ESOS alongwith the bonus shares were reissued by the ESOS Trust to the above eligible employees.

Out of the above 64,500 options exercised, 4,375 options lapsed along with 2,917 bonus shares.

The lapsed number of options including the bonus shares is 7,292.



B. 18,500 OPTIONS GRANTED TO SECOND SET OF ELIGIBLE EMPLOYEES

18,500 equity shares were allotted on 30.04.2010 to the ESOS Trust towards the options granted to the 2nd set of eligible employees.

Since the bonus shares of 18,500 shares had already been allotted to the Indsil ESOS Trust, the same are to be transferred proportionately to the respective eligible employees, as and when they exercise their options. The following eligible employees exercised their options as shown below:-

Name of the Employee	Total No.of Options granted	Ist tranche of shares reissued by the Trust	IIInd tranche of shares reissued by the trust	IIIInd tranche of shares reissued by the trust	IVth tranche of shares reissued by the trust
Sri C. J. Antappan	3,000	750	750	750	750
Sri S. Varadarajan	3,000	750	750	750	750
Sri V.D. Johnson	2,500	625	625	625	625
Sri V. Pushparajan	2,500	625	625	625	625
Sri N. Hariharan Pillai	5,000	1,250	1,250	1,250	1,250
Sri K Balamurugan	2,500	625	625	625	Nil
Total	18,500	4,625	4,625	4,625	4,000

The above shares under ESOS alongwith the bonus shares were reissued by the ESOS Trust to the above eligible employees.

Out of 18500 options granted, 625 options lapsed. The balance number of options including bonus shares in the ESOS Trust is 1,050.

Sri Rajan Jose, General Manager (Works) was granted 5000 options under ESOS on accelerated vesting basis and he exercised his options and 5000 shares under ESOS were transferred from ESOS Trust to him.

Accordingly the balance number of options in ESOS Trust as on 11th October, 2014 is 3,342.

RISK MANAGEMENT

The Management has laid down the risk assessment and minimization procedures, which are reviewed periodically at its Meetings to ensure that management controls risks through a properly defined network.

MEANS OF COMMUNICATION

Quarterly results, dividend announcements, book closure/record dates are intimated to the Stock Exchange where the Company's shares are listed and also published in the Newspapers either in Business Line or Mint in English and Makkal Kural in Tamil. The soft copies of the Annual Reports are sent to those shareholders whose email addresses are available. Further, physical copies of the Annual Reports and quarterly unaudited results are also sent to those shareholders who request for the same.

The Company in terms of Circular No. 17/2011 dated 21.4.2011 and Circular 18/11 dated 29.4.2011 issued by Ministry of Corporate Affairs has taken Green Initiative in the Corporate Governance by allowing paperless compliances and requested the shareholders to register their email address with NSDL/CDSL and update any changes and also inform our Registrar and Share Transfer Agent SKDC Consultants Ltd for sending Annual Reports/Notices and any other communication in electronic forms. All shareholders are requested to follow this and accordingly register themselves with NSDL/CDSL /SKDC Consultants Ltd.

Quarterly results of the Company can be viewed in the Company's website i.e., www.indsil.com. Management Discussion and Analysis Report is annexed elsewhere in the Annual Report.

GENERAL SHAREHOLDER INFORMATION

1. Annual General Meeting

- a. Date & Day : 19.12.2014 (Friday)
- b. Time : 10.15 A.M.
- c. Venue : Chamber Towers
8/732 Avanashi Road
Coimbatore 641 018



2. Financial Calendar for 2014-15 :

Declaration of financial results:

Unaudited financial results for the 1st quarter : by 15th November, 2014
 Unaudited financial results for the 2nd quarter : by 15th February, 2015
 Unaudited financial results for the 3rd quarter : by 15th May, 2015
 Audited financial results for the Year ending : by 30th August, 2015

Annual General Meeting for the year : Within 6 months from the close of the accounting
 30th June 2015 year

3. **Date of Book Closure** : Tuesday 16th December, 2014 to
 Friday, 19th December, 2014

4. **Dividend payment** : Dividend on equity shares, if approved, will be
 paid within the stipulated time as prescribed

5. **Listing on Stock Exchange & Scrip code** : The Bombay Stock Exchange Ltd &
 522165

6. **Stock price data.**
 High / Low prices during the financial year 2013-14 on The Bombay Stock Exchange Ltd.

Month & Year	High ₹	Low ₹
July 2013	24.75	18.00
August 2013	23.95	18.75
September 2013	26.00	20.10
October 2013	27.00	21.30
November 2013	26.40	22.60
December 2013	24.00	21.60
January 2014	26.40	21.20
February 2014	25.00	20.00
March 2014	24.00	20.65
April 2014	30.90	21.55
May 2014	42.80	22.50
June 2014	45.00	34.35

7. Categories of Shareholders as on 30th June, 2014

Category of Shareholders	No. of Shareholders	No. of shares held	% of Holding
Promoter's and Promoter's Group Shareholding			
Indian			
Individuals / Hindu Undivided Family	24	31,03,033	19.53
Bodies Corporate	2	55,32,585	34.82
Sub Total - A	26	86,35,618	54.36
Public Shareholding			
Institutions			
Mutual Funds / UTI	2	3,666	0.02
Central / State Government(s)	1	10,54,166	6.64
Sub-Total - B	3	10,57,832	6.66
Non-institutions			
Bodies Corporate	139	3,12,192	1.97
Resident Individuals	7434	55,90,256	35.18
Non-Resident Indians	270	2,90,894	1.83
Sub-Total - C	7843	61,93,342	38.98
GRAND TOTAL (A+B+C)	7872	1,58,86,792	100.00

8. Registrars and Share Transfer Agent.

Both physical and demat segments are handled by the Company's Registrars & Share Transfer Agent namely S.K.D.C Consultants Ltd., "Kanapathy Towers", 3rd Floor, 1391 / A-1, Sathy Road, Ganapathy, Coimbatore - 641 006.

9. Share Transfer System

The share transfers are registered and returned within the stipulated time if the documents are in order.

10. Distribution of shareholding as on 30th June, 2014.

Range (Value in ₹)	No. of Shareholders	% held (% No. of Shareholders)	Face value of shares (₹)	% held (% Value)
Up to 5000	6146	78.07	12153710	7.65
5001 to 10000	852	10.82	6808830	4.29
10001 to 20000	446	5.67	6900920	4.34
20001 to 30000	132	1.68	3252620	2.05
30001 to 40000	68	0.86	2355080	1.48
40001 to 50000	58	0.74	2662510	1.68
50001 to 100000	84	1.07	6486080	4.08
100001 and above	86	1.09	118248170	74.43
TOTAL	7872	100.00	158867920	100.00

11. Dematerialisation of shareholdings and liquidity:

As on 30.6.2014, 15182356 shares constituting 95.56% of the total paid-up capital of the Company have been dematerialized. In view of the numerous advantages offered by the depository system, members are requested to avail of the facility of dematerialisation of the Company's shares.

For guidance on Depository services, shareholders may write to the Company.

12. Secretarial Audit:

The Company gets the Secretarial Audit done by KSR & Co. Company Secretaries LLP, a firm of Practicing Company Secretaries for the purpose of reconciliation of the total equity capital with both the depositories and in physical form with the total paid up capital as per the books. The Secretarial Audit Reports are placed before the Board of Directors on a quarterly basis and are also sent to the Bombay Stock Exchange where the Company's shares are listed.

13. Details on use of public funds obtained in the last three years

No funds have been raised from public in the last three years.

14. Outstanding GDR/ADR/Warrants and convertible bonds, conversion date and likely impact on equity.

The Company has not issued any GDR/ADR or convertible bonds.

15. Plant locations

Smelter plant	:	VI-679 Pallatheri, Elapully, Palakkad 678 007, Kerala
Rajakkad Hydro Electric Power Plant	:	VIII/351, Rajakkad, Idukki Dist. 685 566, Kerala

16. (a) Subsidiary Company

Sree Mahalakshmi Smelters Private Limited	:	Merakamudidam Mandalam, Garbham 535 102 Vizianagaram Dist (A.P)
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(b) Joint Venture Company

AI-Tamman Indsil Ferro Chrome LLC	:	CR No. 1090488, P.O Box 592, Al Hamriya Postal Code 131, Sultanate of Oman
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17. Address for correspondence

Indsil Hydro Power and Manganese Limited
"INDSIL HOUSE", T.V. Samy Road, (West)
R.S. Puram, Coimbatore 641 002.

Phone : (+91/0) (422) 4522922, 23, 24
Fax : (+91/0) (422) 4522925
e-mail : indsilho@indsil.com

18. Compliance Officer

Sri S. Mahadevan
Company Secretary

Direct Phone : (+91/0) (422) 4522904
e-mail : mahadevan@indsil.com

Place : Coimbatore
Date : 13.11.2014

For and on behalf of the Board
Sd/-

S.N. VARADARAJAN
Executive Vice Chairman



ANNUAL CERTIFICATION BY EXECUTIVE VICE CHAIRMAN PURSUANT TO CLAUSE 49 1(D)(ii) OF THE LISTING AGREEMENT

As the Executive Vice Chairman of Indsil Hydro Power and Manganese Limited and as required pursuant to Clause 49 I(D)(ii) of the Listing Agreement, I hereby declare and certify that all the Board Members and Senior Management Personnel of Indsil Hydro Power and Manganese Limited have affirmed compliance with the Code of Conduct adopted by the Company for the year 2013-14.

Place : Coimbatore
Date : 13.11.2014

For **INDSIL HYDRO POWER AND MANGANESE LIMITED**

Sd/-
S.N. VARADARAJAN
Executive Vice Chairman

CERTIFICATE ON CORPORATE GOVERNANCE

To

The Members of **INDSIL HYDRO POWER AND MANGANESE LIMITED**

We have examined the compliance of conditions of Corporate Governance by Indsil Hydro Power and Manganese Limited for the year ended 30th June 2014, as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

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 **KSR & CO COMPANY SECRETARIES LLP**

Place : Coimbatore
Date : 13.11.2014

C V MADHUSUDHANAN
Partner
CP No. : 4408



CERTIFICATION BY CHIEF FINANCIAL OFFICER

To

The Members of INDSIL HYDRO POWER AND MANGANESE LIMITED

I, R. Murali, Chief Financial Officer of Indsil Hydro Power and Manganese Limited to the best of my knowledge and belief, certify that :

1. I have reviewed the Balance Sheet and statement of Profit and Loss and all its schedules and notes to accounts, as well as the Cash Flow Statements and the Directors' Report for the financial year 2013-14.
2. Based on my knowledge and information, these statements do not contain any untrue statement of a material fact or omit to state a material fact or contain statements that might be misleading.
3. Based on my knowledge and information, the financial statements, and other financial information included in this report, present in all material respects, a true and fair view of the Company's affairs, and are in compliance with the existing accounting standard and/or applicable laws and regulations.
4. To the best of my knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or violative of the Company's code of conduct.
5. I accept responsibility for establishing and maintaining internal controls for financial reporting and I have evaluated the effectiveness for the internal control system of the Company pertaining to financial reporting, deficiencies in the design or operation of such internal controls, if any, of which I am aware, have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
6. (a) There has not been any significant change in internal control over financial reporting during the year under reference.
(b) There has not been significant change in accounting policies during the year requiring disclosure in the notes to the financial statements and
(c) I am not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

For INDSIL HYDRO POWER AND MANGANESE LIMITED

Place : Coimbatore

Date : 13.11.2014

Sd/-
R. MURALI
Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

To the Members of Indsil Hydro Power and Manganese Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Indsil Hydro Power and Manganese Limited ("the Company"), which comprise the Balance Sheet as at June 30, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at June 30, 2014;
- (b) In the case of the Profit and Loss Account, of the profit/ loss for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.



2. As required by section 227(3) of the Act, we report that:
- a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
 - c. the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account .
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
 - e. On the basis of written representations received from the directors as on June 30, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on June 30, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
 - f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For Raja & Raman
Chartered Accountants
Firm Registration No.003382S

E. R. Rajaram, FCA, DISA
Partner
Membership No. 018755

Coimbatore
August 27th, 2014

ANNEXURE TO AUDITORS' REPORT

The Annexure referred to in our report to the members of Indsil Hydro Power and Manganese Limited for the year ended 30 June, 2014. We report that

1. Fixed Assets:

- (a) The Company is in process of updating the Fixed asset register showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets of the Company are physically verified by the management during the year in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verification.
- (c) In our opinion, the Company has not disposed of substantial part of fixed assets during the year and the going concern status of the Company is not affected.

2. Inventories:

- (a) As per information and explanation given to us, inventories have been physically verified by the management at regular intervals during the year.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company has maintained proper records of inventories and there were no material discrepancies noticed on physical verification of inventory as compared to the book records.

3. (a) The Company has granted unsecured loans to Companies listed in the Register maintained u/s. 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.7.63 Crores and the year - end balance of loans granted to such parties was Rs.7.63 Crores.

- (b) In our opinion and according to the information and explanation given to us, the rate of interest and other terms and conditions for such loans are not, prima facie, prejudicial to the interest of the company.
- (c) There are no other stipulations in respect of such loan.
- (d) There is no overdue amount of loans granted to companies, firms or any other parties listed in the register maintained u/s. 301 of the Companies Act, 1956.
- (e) As informed, during the year the Company has not taken any loan from Companies, firm or other parties covered in the Register maintained u/s. 301 of the Companies Act, 1956.

4. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business, for purchase of inventory, fixed assets and for sale of goods. Further, on the basis of our examination of the books and records of the Company and according to the information and explanation given to us, we have neither come across nor have we been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.

5. (a) In our opinion and according to the information and explanations given to us, the transaction that need to be entered into the register in pursuance of Section 301 of the Companies Act, 1956, have been so entered.

- (b) In our opinion and according to the information and explanations given to us the transactions exceeding the value of Rupees Five Lakhs have been entered into during the financial year, are at prices which are reasonable having regard to the prevailing market prices at the relevant time except in case of some transactions where we are unable to comment owing to the unique and specialized nature of the items involved and absence of any comparable prices, whether the transactions are made at prevailing market prices.

6. The Company has not accepted any deposits from the public within the meaning of Sec. 58A and Sec. 58AA of the Act and rules framed there under.

7. In our opinion, the Company's present internal audit system is commensurate with its size and the nature of its business.

8. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to rules made by the Central Government of India, the maintenance of cost records have been prescribed by the Central Government to this Company under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956 and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.



9. (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Investor Education and protection fund, Employee's State Insurance, Income Tax, Wealth tax, Service tax, Sales tax, Customs duty, Excise duty, Cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Investor Education and protection fund, Employee's State Insurance, Income Tax, Wealth tax, Service tax, Sales tax, Customs duty, Excise duty, Cess and other undisputed statutory dues where outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of Income tax, Sales tax, Service tax and Customs duty which have not been deposited with appropriate authorities on account of any dispute.
10. The Company has no accumulated losses as at 30th June ,2014 and it has not incurred any cash loss during the financial year ended on that date or in the immediately preceding financial year.
11. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution, bank or debenture holders as at the Balance sheet date.
12. As per information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund/ nidhi / mutual benefit fund/ societies are not applicable to the Company.
14. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
15. In our opinion and according to the information and explanations given to us, the Company has given guarantee for loans taken by its Subsidiary/Joint venture / Associate companies from banks or financial institutions during the year amounting to Rs. 33.51 Crores.
16. The Company has taken term loan during the current year. As per information and explanations given to us, the term loans were applied for the purpose for which the loans were obtained.
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, in our opinion, there are no funds raised on a short term basis which have been used for long term investment.
18. The Company has not made any preferential allotment of shares to parties and Companies covered in the Register maintained u/s. 301 of the Act during the year.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by public issue during the year.
21. In our opinion and according to the information and explanations given to us, no fraud by the Company and no significant fraud on the Company has been noticed or reported by the Management during the year, that ultimately causes the financial statements to be materially misstated.

For Raja & Raman
Chartered Accountants
Firm Registration No.003382S

E. R. Rajaram, FCA, DISA
Partner
Membership No. 018755

Coimbatore
August 27th, 2014



CERTIFICATE

To

The Board of Directors of Indsil Hydro Power and Manganese Limited,

We have been requested by Indsil Hydro Power and Manganese Limited ("the Company"), having its registered office at 'Indsil House', TV Samy Road(West), R.S.Puram, Coimbatore - 641002, vide mandate letter dated 13th December, 2013, to Issue a certificate under Rule 4(a) of the "Companies (Disqualification of directors under section 274(1)(g) of the Companies Act, 1956) Rules 2003' as to whether any directors of the Company is disqualified under section 274(1)(g) of the Companies Act, 1956.

The following documents have been furnished by the Company:

- a) List of Directors during the period covered by Auditor's Report.
- b) Register of Directors maintained under section 303(1) of the Companies Act, 1956.
- c) Copy of Form 32 filed by the Company.
- d) Copy of Form DD-A filed by the Company.
- e) Written representation from the management.

Based on the above documents and information and explanation provided to us, we have performed the following procedures:

- a) Verified Form 32 filed by the Company with the List of Directors.
- b) Verified the information provided by the management from the information contained in the register maintained under section 303(1) of the Companies Act, 1956.
- c) Verified the contents of Form DD-A with the information given by all directors.

We have performed our procedures in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes issued by the Institute of Chartered Accountants of India ("ICAI").

Based on the procedures performed by us as stated above and according to the information, explanations and written representation provided to us, we certify that none of the Directors of the Company as on June 30th, 2014 are disqualified for appointment as a Director in the Company in terms of clause (g) of sub section (1) of section 274 of the Companies Act, 1956.

This Certificate is issued under Rule 4(a) of the 'Companies (Disqualification of directors under section 274(1)(g) of the Companies Act, 1956) Rules 2003'. This Certificate may not be useful for any other purpose. Raja & Raman, Chartered Accountants shall not be liable to the Company or to any other concerned, for any claims, liabilities or expenses relating to this assignment, except to the extent of fees relating to this assignment.

For Raja & Raman

Chartered Accountants
Firm Registration No.003382S

E. R. Rajaram, FCA, DISA

Partner

Membership No. 018755

Coimbatore

August 27th, 2014

**BALANCE SHEET AS AT 30TH JUNE, 2014**

PARTICULARS	NOTE No.	30.06.2014		30.06.2013	
		₹	₹	₹	₹
I EQUITY AND LIABILITIES					
Shareholder's funds					
(a) Share Capital	2.01	15,88,67,920		15,88,67,920	
(b) Reserves and Surplus	2.02	68,63,36,557		60,05,65,006	
			84,52,04,477		75,94,32,926
Non- current liabilities					
(a) Long-term borrowings	2.03	5,04,89,579		3,43,12,499	
(b) Deferred Tax liabilities (Net)	2.04	2,81,75,672		2,61,26,462	
(c) Long-term Provisions	2.05	12,25,08,698		12,11,12,529	
			20,11,73,949		18,15,51,490
Current Liabilities					
(a) Short term borrowings	2.06	14,49,06,897		20,24,48,498	
(b) Trade payables	2.07	21,76,13,285		23,35,29,453	
(c) Other current liabilities	2.08	6,64,55,945		3,73,42,825	
(d) Short term provisions	2.09	2,28,76,599		1,01,16,980	
			45,18,52,726		48,34,37,756
TOTAL			149,82,31,152		142,44,22,172
II ASSETS					
Non-current assets					
(a) Fixed assets	2.10				
(i) Tangible assets		35,93,91,464		39,31,22,383	
(ii) Capital work-in-progress		5,27,71,187		5,27,71,187	
(iii) Intangible assets under development		18,10,608		22,93,349	
(b) Non-current investments	2.11	21,86,80,591		21,61,08,090	
(c) Long-term loans and advances	2.12	15,71,82,418		14,89,90,592	
			78,98,36,268		81,32,85,601
Current assets					
(a) Current investments	2.13	4,98,030		4,67,180	
(b) Inventories	2.14	30,18,64,949		28,86,83,828	
(c) Trade receivables	2.15	10,03,18,922		7,71,22,771	
(d) Cash and Cash equivalents	2.16	6,72,68,325		3,23,16,735	
(e) Short-term loans and advances	2.17	21,39,77,007		19,25,89,517	
(f) Other Current assets	2.18	2,44,67,651		1,99,56,540	
			70,83,94,884		61,11,36,571
TOTAL			149,82,31,152		142,44,22,172
Significant Accounting Policies and Notes to Financial Statements 2.01 to 2.45					

Vide our report of date attached

For **RAJA & RAMAN**
Chartered Accountants
Firm Reg. No. : 003382S

Sd/-
E.R. RAJARAM
Partner
Membership No.018755

Place : Coimbatore
Date : 27.08.2014

Sd/-
S.N. VARADARAJAN
Executive Vice Chairman

Sd/-
S. INDERCHAND
Director

Sd/-
VINOD NARSIMAN
Managing Director

Sd/-
S. MAHADEVAN
Company Secretary

Sd/-
R. MURALI
Chief Financial Officer

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 30TH JUNE, 2014**

PARTICULARS	NOTE No.	30.06.2014		30.06.2013	
		₹	₹	₹	₹
Revenue					
I Revenue from operations	2.19	116,33,16,151		97,61,47,324	
II Other Income	2.20	7,71,20,158		3,89,29,089	
III Total Revenue (I + II)			124,04,36,309		101,50,76,413
IV Expenses :					
Cost of Materials Consumed	2.21	53,20,07,940		43,56,62,932	
Purchases of Stock-in-Trade		13,94,92,872		11,53,56,237	
Changes in inventories of finished goods, work in progress	2.22	1,60,08,739		(21,10,853)	
Other Manufacturing Expenses	2.23	21,98,14,079		27,64,28,851	
Employee benefits expense	2.24	5,96,51,623		5,75,93,989	
Finance Costs	2.25	3,71,04,458		2,95,52,170	
Depreciation and amortization expense	2.26	3,97,83,592		3,79,55,437	
Other expenses	2.27	8,59,35,770		6,02,82,127	
Total Expenses			112,97,99,073		101,07,20,890
V Profit before exceptional and extraordinary items and tax (III-IV)			11,06,37,236		43,55,523
VI Extraordinary items			-		-
VII Profit before tax (V-VI)			11,06,37,236		4,355,523
VIII Tax expense:					
Current tax		2,21,36,022		8,30,000	
Mat Credit Entitlement		(2,21,36,022)		(8,30,000)	
Deferred tax		20,49,210		15,31,000	
			20,49,210		15,31,000
IX Profit for the year (VII - VIII)			10,85,88,026		28,24,523
X Earnings per equity share:					
(1) Basic	2.28		6.84		0.18
(2) Diluted			6.84		0.18

Significant Accounting Policies and Notes to Financial Statements I & II 2.01 to 2.45

Vide our report of date attached

For **RAJA & RAMAN**
Chartered Accountants
Firm Reg. No. : 003382S

Sd/-
E.R. RAJARAM
Partner
Membership No.018755

Place : Coimbatore
Date : 27.08.2014

Sd/-
S.N. VARADARAJAN
Executive Vice Chairman

Sd/-
S. INDERCHAND
Director

Sd/-
S. MAHADEVAN
Company Secretary

Sd/-
VINOD NARSIMAN
Managing Director

Sd/-
R. MURALI
Chief Financial Officer

NOTES TO FINANCIAL STATEMENTS
2.01 SHARE CAPITAL

Particulars	30.06.2014 ₹	30.06.2013 ₹
AUTHORIZED		
2,00,00,000 equity shares of ₹ 10/- each	20,00,00,000	20,00,00,000
5,00,000 Redeemable Cumulative Preference Shares of ₹100/- each	5,00,00,000	5,00,00,000
	<u>25,00,00,000</u>	<u>25,00,00,000</u>
ISSUED		
1,58,86,792 equity shares of ₹ 10/- each fully paid up	15,88,67,920	15,88,67,920
(30 th June 2012 : 1,58,86,792 equity shares of ₹10/- each)	<u>15,88,67,920</u>	<u>15,88,67,920</u>
SUBSCRIBED AND PAID UP		
1,58,86,792 equity shares of ₹ 10/- each (30 th June 2012 : 1,58,86,792 equity shares of ₹10/- each)	15,88,67,920	15,88,67,920
	<u>15,88,67,920</u>	<u>15,88,67,920</u>

i) TERMS/RIGHTS ATTACHED TO EQUITY SHARES:

The Company has only one class of issued shares referred to as equity shares having a par value of ₹10 each. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors, if any, is subject to the approval of shareholders in the Annual General Meeting.

ii) THE RECONCILIATION OF THE NUMBER OF SHARES OUTSTANDING IS SET OUT BELOW:

Equity Shares	30.06.2014		30.06.2013	
	Number	Value (in ₹)	Number	Value (in ₹)
Equity Shares at the beginning of the year	1,58,86,792	15,88,67,920	1,58,86,792	15,88,67,920
Add: Issues during the year	-	-	-	-
Equity Shares at the end of the year	1,58,86,792	15,88,67,920	1,58,86,792	15,88,67,920

iii) DETAILS OF SHAREHOLDER'S HOLDING MORE THAN 5% OF SHARES:

Name of Shareholder	30.06.2014		30.06.2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Sunmet Holdings India Private Limited	55,18,252	34.73%	54,18,252	34.73%
Sri. S N Varadarajan	10,90,208	6.86%	10,90,208	6.86%
Kerala State Industrial Development Corporation	10,54,166	6.64%	10,54,166	6.64%
TOTAL	76,62,626	48.23%	76,62,626	48.23%

iv) AGGREGATE NUMBER OF BONUS SHARES ISSUED IN THE PRECEDING 5 YEARS

Equity Shares	No. of Shares	₹
Equity shares allotted as fully paid bonus shares pursuant to capitalisation of reserves in 2010-11.	63,54,717	6,35,47,170

NOTES TO FINANCIAL STATEMENTS (Contd.)
2.02 RESERVES & SURPLUS

Particulars	30.06.2014 ₹	30.06.2013 ₹
Securities Premium Account		
Opening balance	94,04,356	89,51,843
Add: Credit on Exercise of ESOS Shares during the year (No. of shares issued : 4,625 shares @ ₹ 62.40)	2,88,600	4,52,513
Closing balance	96,92,956	94,04,356
General Reserves :		
Opening balance	12,67,60,003	12,52,60,003
Add: Transfer from State Investment Subsidy	-	1,50,000
Closing balance	12,67,60,003	12,67,60,003
Surplus		
Opening balance	46,41,72,171	47,06,41,026
(+) Profit/(Loss) for the current year	10,85,88,026	28,24,520
(-) Proposed Dividend	(1,90,64,150)	(79,43,396)
(-) Tax on Proposed Dividend	(38,12,449)	(13,49,979)
Closing balance	54,98,83,598	46,41,72,171
- ESOS Outstanding (Net of Unamortised Deferred Employee Compensation)	-	2,28,475
Closing Balance	<u>68,63,36,557</u>	<u>60,05,65,005</u>

2.03 LONG TERM BORROWINGS

Particulars	30.06.2014 ₹	30.06.2013 ₹	30.06.2014 ₹	30.06.2013 ₹
	Non Current		Current Maturities	
Secured				
Term loans from Banks				
- Rupee Loan	3,33,33,333	-	1,66,66,667	-
- Foreign Currency Loan	1,71,56,246	3,43,12,499	1,71,56,250	1,71,56,520
Total	<u>5,04,89,579</u>	<u>3,43,12,499</u>	<u>3,38,22,917</u>	<u>1,71,56,520</u>

ECB Loan of 11,25,000 USD procured from Standard Chartered Bank is repayable in 12 equal quarterly instalments of USD 93,750 each. Interest is payable at LIBOR plus 300 BPS on a quarterly basis. The loan is secured by way of first pari passu charge on the fixed assets of the Company and second pari passu charge on the current assets of the Company.

The Company has availed 5 Crores Rupee term loan from Yes Bank repayable in 12 equal quarterly instalments. The Loan is secured by way of pari passu charge on the fixed assets of the Company and second pari passu charge on the current assets of the Company.

NOTES TO FINANCIAL STATEMENTS (Contd.)

Particulars	30.06.2014 ₹	30.06.2013 ₹
2.04 DEFERRED TAXES		
Deferred Tax Liabilities	2,81,75,672	2,61,26,462
Total	2,81,75,672	2,61,26,462
2.05 LONG TERM PROVISIONS		
Provision for Gratuity	1,15,59,268	1,01,63,099
Provision for Electricity demands	11,09,49,430	11,09,49,430
Total	12,25,08,698	12,11,12,529
2.06 SHORT TERM BORROWINGS		
Secured :		
Working Capital facilities from Banks		
- In Rupee	14,19,80,313	10,57,87,424
- In Foreign Currency	29,26,584	9,66,61,074
Total	14,49,06,897	20,24,48,498
<p>Working capital facilities from State Bank of Travancore, IDBI Bank Ltd, Standard Chartered Bank and Yes Bank Ltd have pari passu first charge on the entire current assets of the Company and pari passu second charge on entire fixed assets of the Company. Working capital facilities from State Bank of Travancore, Standard Chartered Bank and Yes Bank Ltd are further guaranteed by the personal guarantee of Sri Vinod Narsiman, Managing Director to the extent of limit sanctioned.</p> <p>Working Capital facilities from Banks are repayable on demand and carries interest rates varying from 10% to 14% p.a. Packing credit in Foreign Currency is repayable on demand and carries interest LIBOR plus 250 BPS. to LIBOR plus 300 BPS. For Buyers credit In Foreign Currency is repayable on demand and and carries interest LIBOR plus 90 BPS to LIBOR plus 150 BPS.</p>		
2.07 TRADE PAYABLES		
Dues to Micro, small and medium Enterprises	-	-
Others	21,76,13,285	23,35,29,453
Total	21,76,13,285	23,35,29,453
<p>The Company has initiated the process of obtaining confirmation from suppliers who have registered themselves under the "Micro, Small and Medium Enterprises Development Act, 2006". Based on the information and evidence available with the Company, there are no dues / interest payable to micro, small and medium enterprises.</p>		
2.08 OTHER CURRENT LIABILITIES		
Current maturities of Long term Borrowings (Refer Note No. 2.03)	3,38,22,917	1,71,56,250
Advance from Customers	-	34,56,851
Unclaimed Dividends	20,89,918	21,43,352
Accrued Employee benefits	49,03,732	22,06,803
Statutory liabilities	26,43,425	50,10,138
Other Payables	2,29,95,953	73,69,431
Total	6,64,55,945	3,73,42,825
2.09 SHORT TERM PROVISIONS		
Proposed Dividend	1,90,64,150	79,43,396
Tax on Proposed Dividend	38,12,449	13,49,979
Provision for Employee Benefits	-	8,23,606
Total	2,28,76,599	1,01,16,981



NOTES TO FINANCIAL STATEMENTS (Contd.)

2.10 FIXED ASSETS

Particulars	Gross Block			Depreciation		Net Block	
	Cost as on 1.7.2013	Additions during the year	Deduction during the year	Cost as on 30.6.2014	Upto 30.6.2013 For the year	Upto 30.6.2014 Deduction during the year	WDV as on 30.6.2014 WDV as on 30.6.2013
Tangible Assets							
Land	2,74,46,106	-	-	2,74,46,106	-	-	2,74,46,106
Industrial Plot	29,90,93,581	-	-	29,90,93,581	-	-	29,90,93,581
Building	49,47,56,025	4,420,439	-	49,91,76,464	9,989,725	13,91,07,289	15,99,86,292
Plant and Equipment	2,08,94,519	3,420	-	2,08,97,939	2,62,02,986	34,94,41,757	14,97,34,707
Electrical Installation	26,02,663	-	-	26,02,663	1,88,944	2,08,53,563	2,29,900
Other Equipments	40,85,294	6,450	-	40,91,744	69,861	26,02,663	69,861
Furnitures & Fixtures	54,50,146	820,000	5,82,232	56,87,914	2,58,903	34,75,638	8,88,559
Vehicles (Cars)	46,98,872	148,340	-	48,47,212	5,29,076	21,52,159	35,35,755
Office Equipment	56,43,353	383,455	-	60,26,808	2,26,881	28,03,378	20,43,834
Computer	12,10,128	-	-	12,10,128	9,42,560	50,98,898	21,22,375
Tractor & Traylor	267,04,116	-	-	2,67,04,116	-	12,10,128	14,87,015
Transmission Lines	-	-	-	-	8,91,917	116,47,739	1,50,56,377
SUB TOTAL (A)	89,25,84,803	5,782,104	5,82,232	89,77,84,675	3,93,00,851	370,060	35,93,91,464
Intangible Assets							
ERP Software	24,13,704	-	-	24,13,704	482,741	603,096	1,810,608
SUB TOTAL (B)	24,13,704	-	-	24,13,704	482,741	603,096	22,93,349
Capital Work-in-progress							
SUB TOTAL (C)	527,71,187	-	-	527,71,187	-	-	527,71,187
Total [A + B + C]	(Current Year)			49,95,82,774	3,97,83,592	370,060	41,39,73,260
	(Previous Year)			46,21,07,854	3,79,55,438	4,80,518	44,81,86,919

NOTES TO FINANCIAL STATEMENTS (Contd.)

	Particulars	30.06.2014 ₹	30.06.2013 ₹
2.11	NON CURRENT INVESTMENTS		
	Trade Investments - Unquoted Fully paid up		
	In Equity Shares of Associate Company - 25,500 Nos Indsil Energy & Electrochemicals Ltd. of Rs.10/- each (Extent of Holding - 0.65%)	2,55,000	2,55,000
	In Equity Shares of Subsidiary Company - 21,88,847 Nos. Sree Mahalakshmi Smelters (P) Ltd of Rs.15.35/- each. (Extent of Holding - 51%)	3,36,56,300	3,36,56,300
	Share Application money pending Allotment Al Tamman Indsil Ferro Chrome	-	17,57,62,415
	In Equity Shares of Joint Venture Company - 1267834 Nos. Al Tamman Indsil Ferro chrome of 142.212 Oman Riyal - each (Extent of Holding - 26.62%.)	18,03,01,790	45,39,375
	In Equity Shares of Wholly Owned Subsidiary Company - 150000 Nos. Indsil Hydro Global (FZE) of 1 AED each (Extent of Holding - 100%)	25,72,500	-
	Other Investments - Unquoted Fully paid up		
	8,000 Equity shares of ₹ 10 each in Kurumpetty HPP Ltd	80,000	80,000
	8,000 Equity shares of ₹ 10 each in Palakkayam HPP Ltd	80,000	80,000
	8,000 Equity shares of ₹ 10 each in Upper Poringal HPP Ltd	80,000	80,000
	8,000 Equity shares of ₹ 10 each in Vattapara HPP Ltd	80,000	80,000
	1,57,500 equity shares of ₹ 10/- each in Malayalam Communications Ltd.	15,75,000	15,75,000
	Total	21,86,80,590	21,61,08,090
2.12	LONG TERM LOAN & ADVANCES		
	Unsecured considered good		
	Capital Advances	-	77,08,858
	Other loans and advances (specify nature)		
	- Electricity Charges recoverable	5,31,11,594	5,29,02,873
	- Security Deposits	2,06,36,151	2,11,63,877
	- Rental Advances	13,14,080	11,21,000
	- Tax Payment Pending Adjustments	7,85,04,555	6,44,15,958
	- Other LOans & Advances	36,16,038	16,78,026
	Total	15,71,82,418	14,89,90,592
2.13	CURRENT INVESTMENTS		
	Other Investments		
	Investment in Mutual Funds		
	505.57 Units in DSP Blackrock Money Manager (Previous year 466.117 units)	4,98,030	4,67,180
	Total	4,98,030	4,67,180

NOTES TO FINANCIAL STATEMENTS (Contd.)

	Particulars	30.06.2014 ₹	30.06.2013 ₹
2.14	INVENTORIES		
	Raw Materials and components	24,19,35,505	19,74,53,959
	Goods in Transit	2,01,06,797	2,80,41,985
	Work-in-progress	25,42,326	26,47,134
	Finished goods	3,25,55,852	4,84,59,784
	Stores and spares	40,26,345	44,12,632
	Others		
	Consumables	4,85,292	74,31,142
	Packing Materials	2,12,832	2,37,192
	Total	30,18,64,949	28,86,83,828
2.15	TRADE RECEIVABLES		
	Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
	Unsecured, considered good	-	-
	Trade receivables outstanding for a period less than six months from the date they are due for payment		
	Secured, considered good	5,49,88,237	3,70,80,165
	Unsecured, considered good	40,35,074	14,45,250
		5,90,23,311	3,85,25,415
	Trade Receivable stated above include debts due by:		
	Subsidiary Company in which director is a member		
	- Sree Mahalakshmi Smelters Pvt Ltd.,	4,12,95,611	3,85,97,356
		4,12,95,611	3,85,97,356
	Total	10,03,18,922	7,71,22,771
2.16	CASH AND BANK BALANCES		
	Cash and Cash Equivalents		
	a) Balance with Banks - In Current Accounts	23,46,917	16,92,239
	b) Cash on hand	31,70,813	4,38,076
	c) Cheques on hand	1,45,04,237	78,829
	d) Fixed Deposits maturing within 3 months	97,41,079	87,50,718
	Other Bank Balances		
	a) Margin money	3,54,15,360	1,92,13,024
	b) Unclaimed Dividend	20,89,918	21,43,849
	Total	6,72,68,325	3,23,16,735



NOTES TO FINANCIAL STATEMENTS (Contd.)

Particulars	30.06.2014 ₹	30.06.2013 ₹
2.17 SHORT TERM LOANS & ADVANCES		
Loans and advances to related parties		
Unsecured, considered good		
- Unsecured Loan to subsidiary Company	7,63,05,842	7,83,03,265
- Advance for Expenses	23,39,881	5,08,406
Others		
Balance With Government Authorities	3,28,54,870	92,77,397
Unsecured, considered good		
- Advance to Trade suppliers	7,78,083	6,30,23,251
- Advance to employees	24,400	7,000
- Other Advance	10,16,73,931	4,14,70,198
Total	21,39,77,007	19,25,89,517
2.18 OTHER CURRENT ASSETS		
Export Incentives receivable	2,44,67,651	1,99,56,540
Total	2,44,67,651	1,99,56,540
2.19 REVENUE FROM OPERATIONS		
Sale of Products:		
- Smelter	113,57,59,878	87,66,83,814
- Power	17,34,23,198	7,49,87,824
- Sale of Raw Materials	1,82,09,131	10,24,36,237
	132,73,92,207	105,41,07,875
Less : Excise duty	(3,26,71,126)	(4,76,12,146)
	129,47,21,082	100,64,95,729
Interdivisional Sale of Power	(17,34,23,198)	(7,49,87,824)
Other Operating Income		
Export Incentives	4,20,18,267	4,46,39,419
	116,33,16,151	97,61,47,324
Detail of Revenue from operations		
Silico Manganese and Manganese Ore	112,12,97,884	93,15,07,905
Export Incentives	4,20,18,267	4,46,39,419
	116,33,16,151	97,61,47,324
2.20 OTHER INCOME		
Interest Income	82,13,472	86,37,054
Dividend from Current Investments	30,850	9,82,538
Profit on Sale of Assets	76,038	-
Scrap sales	33,08,196	37,07,501
Income from REC	6,51,78,000	2,55,95,141
Other Income	3,13,603	6,855
Total	7,71,20,158	3,89,29,089

NOTES TO FINANCIAL STATEMENTS (Contd.)

Particulars	30.06.2014 ₹	30.06.2013 ₹
2.21 COST OF MATERIALS CONSUMED		
Consumption of Raw Materials		
Manganese Ore	32,50,64,253	24,40,37,139
Carbon reducers	17,20,85,654	14,34,05,902
Quartz	1,15,54,885	68,78,770
Carbon Paste	169,17,386	1,47,33,693
Ferro Manganese Slag	49,87,821	83,24,331
Others	1,397,940	1,82,83,097
Total	53,20,07,940	43,56,62,932

2.22 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS

	30.06.2014 ₹	30.06.2013 ₹	(Increase) / Decrease
Finished Goods: Opening Stock	4,84,59,784	4,69,58,849	15,00,935
Less: Closing Stock	(3,25,55,852)	(4,84,59,784)	1,59,03,931
	1,59,03,931	(15,00,935)	1,74,04,866
Work-in-Progress : Opening Stock	26,47,134	20,37,216	6,09,918
Less: Closing Stock	(25,42,326)	(26,47,134)	1,04,808
	1,04,808	(6,09,918)	7,14,726
Total	1,60,08,739	(21,10,853)	1,81,19,592

2.23 OTHER MANUFACTURING EXPENSES

Power & Fuel (Net)	17,23,22,979	23,35,37,088
Packing, Freight & Forwarding	4,26,38,580	3,87,90,485
Royalty	48,52,520	41,01,278
Total	21,98,14,079	27,64,28,851

Power & Fuel is net of Interdivisional sale of Hydro Power of ₹ 17,34,23,198/- (Previous year - ₹ 7,49,87,824/-) representing units supplied to the grid against which equivalent consumption was made in Smelter plant

2.24 EMPLOYEE BENEFITS EXPENSES

Salaries and wages	4,50,62,189	4,51,28,072
Contribution to provident Fund & other Funds	41,04,997	36,81,596
Employee compensation - ESOS amortisation	,60,125	1,24,090
Provision for Gratuity & Earned Leave Encashment	11,07,783	11,61,424
Staff welfare expenses	93,16,530	74,98,808
Total	5,96,51,623	5,75,93,989

NOTES TO FINANCIAL STATEMENTS (Contd.)

Particulars	30.06.2014 ₹	30.06.2013 ₹
2.25 FINANCE COSTS		
Interest expenses	2,84,28,190	2,19,94,742
Other Borrowing Costs	86,76,268	75,57,428
Total	3,71,04,458	2,95,52,170
2.26 DEPRECIATION AND AMORTIZATION EXPENSES		
Depreciation and amortization expenses	3,97,83,592	3,79,55,437
Total	3,97,83,592	3,79,55,437
2.27 OTHER EXPENSES		
Communication Expenses	25,27,159	22,21,855
Commission to Directors	77,86,036	-
Directors Sitting Fees	2,19,000	1,93,000
Travelling Expenses	38,41,609	51,39,969
Repairs & Maintanance :		
Plant & Machinery	1,39,55,689	1,40,23,580
Buildings & Others	54,14,056	28,62,817
Insurance Expenses	13,91,640	22,57,914
Legal Expenses	26,59,362	7,84,000
Professional Charges	66,39,588	36,59,139
Security service charges	35,53,227	34,90,113
Printing and Stationery	7,93,853	5,77,485
Auditors Remuneration		
For Audit	373,750	5,22,236
Rent	24,96,250	22,71,338
Rates & Taxes	19,78,372	18,12,884
Subscription	7,78,378	11,92,149
Donation	32,01,651	12,56,401
Sales Promotion expenses	3,95,156	5,47,661
Sales Commission & Discount	134,95,411	63,15,328
Transportation charges	21,03,050	
Exchange Fluctuation (Net)	8,579,245	80,65,749
Loss on Sale of Assets	-	2,11,034
Miscellaneous Expenses	37,53,289	28,77,478
Total	8,59,35,770	6,02,82,128
2.28 EARNING PER SHARE		
Basic EPS :		
Net Profit after Tax	10,85,88,026	28,24,520
Weighted average number of equity shares (Face value of ₹ 10 each)	1,58,86,792	1,58,86,792
Basic EPS (₹)	6.84	0.18
Diluted EPS (₹)	6.84	0.18



NOTES TO FINANCIAL STATEMENTS (Contd.)

I. SIGNIFICANT ACCOUNTING POLICIES

a) Accounting Convention

- i) The Financial statements have been prepared under the historical cost convention on the accrual basis of accounting and in accordance with the requirements of Accounting Standards prescribed by the Companies (Accounting Standards) Rules, 2006 and the provisions of the Companies Act, 1956, to the extent applicable.

b) Use of Estimates

- i) The preparation of financial statements requires the management of the Company to make certain estimates and assumptions that affect the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenditure for the year. Actual results may differ from those estimates. Any revision to such estimates is recognised prospectively.

c) Fixed assets and Depreciation

- i) Fixed assets are stated at original cost net of tax / duty credits availed if any, less accumulated depreciation. Cost include pre-operative expenses and all expenses related to acquisition and installation of the concerned assets.
- ii) Depreciation on Fixed assets is provided on straight line method in accordance with the rates specified under Schedule XIV of the Companies Act, 1956. Individual assets costing ₹5,000/- or less are depreciated fully in the year of purchase.

d) Investments

Long term investments held by the Company are stated at cost. Provision for diminution, if any, in the value of long-term investments is made, if the diminution is other than temporary. Current investments are stated at lower of cost or net realisable value.

e) Inventories

Raw Materials and Stores & Spares are valued at cost on Weighted Average basis. Finished goods and Work-in-Progress are valued at lower of the cost including related overheads and estimated net realisable value.

f) Foreign Currency Transactions

- i) Foreign currency transactions are recorded at exchange rates prevailing on the date of such transaction.
- ii) Foreign Currency assets and liabilities at the year end are realigned at the exchange rate prevailing at the year end and difference on realignment is recognised in the Statement of Profit & Loss.

g) Revenue Recognition:

- i) The Company generally follows the mercantile system of accounting and recognises income and expenditure on an accrual basis except those with significant uncertainties.
- ii) Sale of goods is recognised when the risk and rewards of ownership are passed on to the customers, which is generally on despatch of goods.
- iii) Dividend, interest, export incentives and other income are accounted on accrual basis except those items with significant uncertainties.

h) Taxes on Income

- a) Current tax on income for the period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961 and based on the expected outcome of assessment/appeals.

- b) Deferred tax is recognised on timing differences between the accounting income and the taxable income for the year, and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.
- c) Deferred tax assets are recognised and carried forward to the extent that there is a reasonable certainty that sufficient future income will be available against which such deferred tax assets can be realised.

i) Retirement Benefits

i) Defined Contribution Plans:

Employee benefits in the form of Employee Provident and Pension Funds and Employee State Insurance plan are considered as Defined Contribution Plans and the contributions are charged to the Statement of Profit & Loss of the year when the contributions to the said funds are due.

ii) Defined Benefit Plans:

Retirement benefits are considered as Defined Benefit Plans and are provided for on the basis of an actuarial valuation using the projected unit credit method as at the date of Balance Sheet. Actuarial gain/losses, if any, are immediately recognised in the Statement of Profit & Loss as income and expense.

j) Employee Stock Option Plan

In respect of Employees Stock Options, the excess of market price on the date of grant over the exercise price is recognised as deferred compensation cost and amortised over the vesting period.

k) Impairment of Fixed assets

As at each balance sheet date, the carrying amount of assets is tested for impairment so as to determine;

- i) the provision for impairment loss, if any, required or;
- ii) the reversal, if any, required of impairment loss recognised in previous periods.
Impairment loss is recognised when the carrying amount of an asset exceeds its recoverable amount.

l) Borrowing Cost

- i) Borrowing costs attributable to the acquisition or construction of qualifying assets are capitalised as part of such assets. All other borrowing costs are charged to revenue.
- ii) A qualifying asset is an asset that necessarily requires substantial period of time to get ready for its intended use or sale.

m) Cash and Cash Equivalents

Cash flow are reported using the indirect method, where by net profit before tax is adjusted for the effects of transaction of a non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow comprises regular revenue generating, investing and financing activities of the Company. Cash and cash equivalents in the Balance Sheet comprise of cash at bank and in hand and short term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.



NOTES TO FINANCIAL STATEMENTS (Contd.)

n) Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates.

o) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity share (after deducting preference dividends and attributable taxes if any) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and consolidation of shares if any. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

p) MAT Credit Entitlement

MAT credit is recognized as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the Minimum Alternative Tax (MAT) credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of Profit and Loss and shown as MAT Credit entitlement. The Company reviews the same at each Balance Sheet date and writes down the carrying amount of MAT Credit entitlement to the extent there is no longer convincing evidence to the effect that Company will pay normal Income Tax during the specified period.

q) Leases

"Finance leases, where substantially all the risks and benefits incidental to ownership of the leased item, are transferred to the Company, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged to income. Lease management fees, legal charges and other initial direct costs are capitalized. Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of Profit and Loss on a straight-line basis over the lease term."

II. OTHER NOTES ON ACCOUNTS:

2.29 CONTINGENT LIABILITIES

	As at 30.6.2014 ₹	As at 30.6.2013 ₹
a) Claims against the Company not acknowledged as debts	-	-
b) Contingent liabilities in respect of Bills discounted (fully secured by LCs)	-	89,75,471
c) Letters of Credit issued by Banks on behalf of the Company	7,47,39,060	2,80,24,250
d) Guarantees issued by Banks on behalf of the Company	1,92,00,675	2,13,70,691
e) Corporate guarantee given	33,50,55,838	35,22,21,290



NOTES TO FINANCIAL STATEMENTS (Contd.)

- f) In the past, the Kerala State Electricity Board has raised certain demands on the Company relating to payment of electricity charges and other charges on account of working of the hydro electric power division of the Company. These charges were more than that warranted for, when specifically considering the working agreement between the Company and KSEB for operation of the hydro electric power plant. These demands remain in dispute and have been challenged by the Company in various forums including the Hon'ble High Court of Kerala. Such matters remain sub - judice and in some cases, where necessary, pending judgement, adequate provisions have been made. The Company is confident of positive redressal by the appropriate forums where no provisions has been made and in cases where the Company has deposited sums/advances, pending judgements, it is expected that those sums would be refunded.

2.30 DISCLOSURE ON "EMPLOYEE BENEFITS" AS PER AS 15:

	30.6.2014	30.6.2013
	₹	₹
i) Defined Contribution Plans:		
Employers' Contribution to Provident and Other Funds	41,04,997	36,81,596
ii) Defined Benefit Plans (Non-Funded):		
	Gratuity	Earned leave encashment
	30.6.2014	30.6.2013
		30.6.2014
		30.6.2013
Reconciliation of opening and closing balances of Defined Benefit obligations:		
Defined Benefit obligation at the beginning of the year	109,86,710	103,17,958
Interest cost	10,05,284	8,10,766
Current service cost	8,53,271	8,39,005
Benefits paid	-	(4,88,346)
Actuarial loss/(gain) on obligation	(12,85,997)	(4,92,673)
Defined Benefit obligation at the end of the year	<u>115,59,268</u>	<u>109,86,710</u>
Expenses recognised during the year in the Statement of Profit & Loss :		
Current service cost	8,53,271	8,39,005
Interest cost	10,05,284	8,10,766
Expected return on plan assets	-	-
Actuarial (gain)/loss	(12,85,997)	(4,88,346)
Expenses recognised in the Statement of Profit & Loss	<u>5,72,558</u>	<u>11,61,425</u>
Principal Actuarial Assumptions:		
Discount rate	9%	8%
Salary Escalation rate	7%	6%
Withdrawal rate	4%	4%
Expected rate of return on plan assets	0%	0%

The above information is certified by an Actuary.

Amount for the current period :	As at 30.06.14	As at 30.06.13	As at 30.06.12	As at 30.06.11
	₹	₹	₹	₹
Present Value of obligation	1,15,59,268	1,09,86,710	1,03,17,958	65,99,823
Plan Assets	-	-	-	-
Surplus / (Deficit)	1,15,59,268	1,09,86,710	1,03,17,958	65,99,823
Experience adjustments on plan Liabilities	(12,85,997)	(4,88,346)	28,19,595	(6,63,999)
Experience adjustments on plan assets	-	-	-	-



NOTES TO FINANCIAL STATEMENTS (Contd.)

2.31. SEGMENT REPORT

Primary Segments (Business Segments)	30.6.2014 ₹	30.6.2013 ₹
1. Segment Revenue		
a. Smelter	116,33,16,151	97,61,47,324
b. Hydro Power	17,34,23,198	7,49,87,824
	<u>133,67,39,349</u>	<u>105,11,35,148</u>
Less : Intersegment Revenue	17,34,23,198	7,49,87,824
Net Revenue	<u>116,33,16,151</u>	<u>97,61,47,324</u>
2 Segment Results (Profit / Loss before Financial charges & Tax)		
a. Smelter	(5,15,78,229)	(4,24,55,354)
b. Hydro Power	19,92,89,074	7,53,80,506
	<u>14,77,10,845</u>	<u>3,29,25,152</u>
Add / Less : Unallocable Income/Expenses	30,850	9,82,538
Operating Profit	14,77,41,694	3,39,07,690
Less : Financial Charges	3,71,04,458	2,95,52,170
Total Profit / (Loss) before Tax and extraordinary items	<u>11,06,37,236</u>	<u>43,55,520</u>
3 Capital Employed (Segment Assets - Segment Liabilities)		
a. Smelter	71,26,12,384	62,60,64,203
b. Hydro Power	33,37,66,041	31,49,20,214
	<u>104,63,78,423</u>	<u>94,09,84,417</u>

2.32 RELATED PARTY DISCLOSURES:

a) Subsidiary	: Sree Mahalakshmi Smelters Private Limited Indsil Hydro Global (FZE),
b) Associates	: Sunmet Holdings India P. Ltd, Indsil Energy and Electrochemicals Ltd.
c) Key Management Personnel	: Sri. S.N.Varadarajan Sri. Vinod Narsiman
d) Relatives of Key Management Personnel	: Smt. D.Pushpa Varadarajan (W/o Sri S.N. Varadarajan)
e) Joint Venture	: Al-Tamman Indsil Ferro Chrome LLC

Particulars	Subsidiary ₹	Joint Venture ₹	Associates ₹	Key Management Personnel ₹
Current Year (30.6.2014)				
Sales of Raw Material	1,82,09,130	10,90,890	52,25,000	-
% on Turnover	1.6	0.1	0.4	-
Royalty paid	-	-	48,52,520	-
% on Turnover	-	-	0.4	-
Rent paid	-	-	14,36,104	2,88,000
% on Turnover	-	-	0.1	0.0
Directors' Sitting Fees	-	-	-	35,000
% on Turnover	-	-	-	0.0
Managerial Remuneration	-	-	-	71,00,250
% on Turnover	-	-	-	0.6
Unsecured Loan granted to Subsidiary	7,63,05,842	-	-	-
% on Turnover	6.6	-	-	-
Balances outstanding	4,46,97,161	22,96,503	6,21,779	(1,16,31,599)
% on Turnover	3.8	0.2	0.1	(1.0)



NOTES TO FINANCIAL STATEMENTS (Contd.)

Particulars	Subsidiary	Joint Venture	Associates	Key Management Personnel
	₹	₹	₹	₹
Previous Year (30.6.2013)				
Sales of Raw Material	86,113,514	443,722	14,831,955	-
% on Turnover	8.8	0.0	1.5	-
Royalty paid	-	-	41,01,278	-
% on Turnover	-	-	0.4	-
Rent paid	-	-	12,97,216	2,88,000
% on Turnover	-	-	0.1	0.0
Directors' Sitting Fees	-	-	-	30,000
% on Turnover	-	-	-	0.0
Managerial Remuneration	-	-	-	1,213,764
% on Turnover	-	-	-	0.1
Unsecured Loan granted to Subsidiary	76,315,071.00	-	-	-
% on Turnover	7.8	-	-	-
Balances outstanding	38,597,355	1,997,423	7,486	(6,907,654)
% on Turnover	4.0	0.2	0.0	(0.7)

2.33 INVESTMENT IN MUTUAL FUNDS

	Balance as on 1.7.2013	Purchased/ Reinvested during the year	Redeemed during the year	Balance as on 30.6.2014
DSP Blackrock Money Manager Fund	4,67,180 466 Units	30,850 32 Units	- -	4,98,030 498 Units
Total (₹)	4,67,180	30,850	-	4,98,030

2.34 CHAIRMAN'S REMUNERATION

	2013-14 ₹	2012-13 ₹
Salary	6,00,000	6,00,000
Commission	35,93,018	-
Perquisites	72,000	13,764
	<u>42,65,018</u>	<u>6,13,764</u>

2.35. MANAGING DIRECTOR'S REMUNERATION

Salary	6,00,000	6,00,000
Commision	35,93,018	-
Perquisites	72,000	-
	<u>42,65,018</u>	<u>6,00,000</u>

2.36 COMPUTATION OF COMMISSION PAYABLE TO CHAIRMAN, MANAGING DIRECTOR AND NON-EXECUTIVE DIRECTORS :

Net Profit before Tax as per Statement of Profit & Loss	11,06,37,236	43,55,520
Add: Chairman's Remuneration	42,65,018	6,13,764
Managing Director's Remuneration	42,65,018	6,00,000
Commission to Non-Executive Directors	6,00,000	-
Net Profit as per Sec. 349 of the Companies Act	<u>11,97,67,272</u>	<u>55,69,284</u>



NOTES TO FINANCIAL STATEMENTS (Contd.)

a) Commission payable to Chairman - 3% of Net profits	3,593,018	-
b) Commission payable to Managing Director - 3% of Net profits	3,593,018	-
c) Commission payable to Non-Executive Directors -1% of Net profits subject to a maximum of ₹ 6,00,000/-	600,000	-

	30.6.2014 ₹	30.6.2013 ₹
2.37 Value of imports (on CIF basis)		
Raw Materials	24,09,16,520	24,78,15,735
2.38 Expenditure in foreign currency:		
Travelling	7,24,081	2,66,811
Subscription & Others	83,309	9,45,512
2.39 Dividend in Foreign currency	-	2,666
2.40 Earnings in foreign exchange (on FOB basis)	82,86,18,689	57,77,36,623

2.41 Details of shares allotted under Employees' Stock Option Scheme :

	As at 30.6.2014		As at 30.6.2013	
	1st Set	2nd Set	1st Set	2nd Set
Total number of shares allotted to ESOS Trust	64,500	18,500	64,500	18,500
Options exercised during 2009-10	16,125	-	6,125	-
Options exercised during 2010-11	16,125	4,625	16,125	4,625
Options exercised during 2011-12	16,125	4,625	16,125	4,625
Options exercised during 2012-13	11,750	4,625	11,750	4,625
Options exercised during 2013-14	-	4,000	-	-
Shares transferred from ESOS Trust	60,125	17,875	60,125	13,875
Balance unvested options	4,375	625	4,375	4,625

2.42 Dividends recommended by Board of Directors is provided for in accounting pending Shareholder's approval.

2.43 All figures are in Rupees unless otherwise stated

Amounts have been rounded-off to the nearest Rupee and previous year's figures regrouped wherever necessary.

2.44 Operating Lease:

The Company has entered into operating lease, having a lease period ranging from 1-5 years, with an option to renew the lease. The future minimum lease payments are as follows

Particulars	30.06.2014	30.06.2013
not later than one year	14,18,352	13,50,816
later than one year and not later than five years	64,18,956	61,13,292
later than five years	-	-



NOTES TO FINANCIAL STATEMENTS (Contd.)

2.45 Interest In Joint Venture

The Company has, during the year, entered into an agreement by which the Company is a party to a Joint Venture viz. Al Tamman Indsil Ferro Chrome LLC.

The Company has invested 12,67,834 OMR in the capital of 47,62,746 equity shares of 1 OMR each which is equivalent to an ownership interest of 26.62% (Previous year: OMR 37,500 in the capital of 1,50,000 equity shares of 1 OMR each which is equivalent to an ownership interest of 25%)

The Following represents the Group's share of assets and liabilities and Income and results of the Joint Venture included in the Balance Sheet and Statement of Profit and Loss.

	Year Ended 31.12.2013	Year Ended 31.12.2012
Balance Sheet:	₹	₹
Reserves and Surplus	(4,63,92,003)	(67,49,716)
Non Current Liabilities	33,67,14,411	12,84,89,431
Current Liabilities	40,89,07,747	1,02,46,634
Fixed Assets (Net)	60,31,22,000	22,17,56,118
Current Assets	29,97,98,549	15,16,557
Statement of Profit and Loss		
Income	9,07,90,688	-
Expenses	12,15,88,685	49,46,876
Profit Before Tax	(3,07,97,997)	(49,46,876)
Provision of Taxes	-	-
Profit After Tax	(3,07,97,997)	(49,46,876)

Note: The audited accounts of Al-Tamman Indsil Ferro Chrome LLC., Joint Venture for the year ended 31st December 2013 is based on the International Financial Reporting Standards (IFRS). For the purposes of consolidation with Indsil Hydro Power and Managanese Limited, certain expenses like project salaries/ electricity charges/ rent for the leased land for the factory under construction which has been charged-off in the Statement of Profit & Loss in the JV enterprises have been capitalised as pre-operative expenses (RO 10,97,183) in the consolidated financial statements as per Indian Accounting Standards as the same is specifically attributable to the Ferro Chrome Project.

Vide our report of date attached

For **RAJA & RAMAN**
Chartered Accountants
Firm Reg. No. : 003382S

Sd/-
E.R. RAJARAM
Partner
Membership No.018755

Place : Coimbatore
Date : 27.08.2014

Sd/-
S.N. VARADARAJAN
Executive Vice Chairman

Sd/-
S. INDERCHAND
Director

Sd/-
S. MAHADEVAN
Company Secretary

Sd/-
VINOD NARSIMAN
Managing Director

Sd/-
R. MURALI
Chief Financial Officer

**CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH JUNE, 2014**

Particulars	Year ended 30.06.14 ₹	Year ended 30.06.13 ₹
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit / (loss) before tax	11,06,37,236	43,55,520
Adjustments for		
Interest Receipts	(-) 82,13,472	(-) 86,37,054
Income from Mutual Funds	(-) 30,850	(-) 9,82,538
Income from REC's		-
Depreciation	3,97,83,592	3,79,55,437
Employee compensation - ESOS amortisation	60,125	1,24,090
Financial charges & Interest	3,71,04,458	2,95,52,170
Written off provision		7,16,000
Profit/Loss on sale of assets	-	2,11,034
Provision for gratuity and Encashment of earned leave	11,07,783	11,61,424
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	18,04,48,872	6,44,56,083
Adjustments for changes in		
Inventories	(-) 1,31,81,121	(-) 1,79,38,013
Trade receivables	(-) 2,31,96,151	(-) 3,26,39,384
Other advances	(-) 2,82,38,414	(-) 8,89,37,438
Current liabilities	(-) 40,04,934	(-) 98,27,600
Cash generated from operations	11,18,28,251	-8,48,86,352
Income Tax Payments	(-) 1,40,88,597	(-) 84,45,922
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	9,77,39,654	(-) 9,33,32,274
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(-) 57,82,104	(-) 2,17,84,054
Sale of Fixed Assets	2,12,169	2,25,050
Purchase of investments	(-) 25,72,500	(-) 12,39,57,545
Increase/Decrease in Investments	(-) 79,65,752	(-) 64,70,210
Interest received	8,213,472	86,37,054
Income from REC's	-	-
Income from Mutual Funds	30,850	9,82,538
NET CASH FLOW FROM INVESTING ACTIVITIES (B)	(-) 78,63,865	(-) 14,23,67,167
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of share capital	-	-
Repayment of Long term borrowings	3,28,43,747	(-) 1,71,56,250
Increase in Long term Borrowings	-	-
Increase in Short term Borrowings	(-) 5,75,41,601	22,91,09,671
Financial Charges & Interest	(-) 3,71,04,458	(-) 2,95,52,170
Payment of Dividend & Tax	(-) 92,39,444	(-) 1,87,30,449
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	(-) 7,10,41,756	16,36,70,802
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	1,88,34,033	(-) 7,20,28,639
Cash and Cash Equivalents as on 1.7.2013 (Opening Balance)	1,14,27,043	8,42,85,683
Cash and Cash Equivalents as on 30.6.2014 (Closing Balance)	3,02,61,076	1,14,27,043
Note :		
Cash and cash equivalents included in the cash flow statement comprise the following Balance sheet amounts:		
Cash in Hand and balance with Banks	2,97,63,046	1,09,59,863
Short term Investments in debt based liquid funds	4,98,030	4,67,180
	3,02,61,076	1,14,27,043

Vide our report of date attached

For **RAJA & RAMAN**
Chartered Accountants
Firm Reg. No. : 003382S

Sd/-
E.R. RAJARAM
Partner
Membership No.018755

Sd/-
S.N. VARADARAJAN
Executive Vice Chairman

Sd/-
VINOD NARSIMAN
Managing Director

Place : Coimbatore
Date : 27.08.2014

Sd/-
S.INDERCHAND
Director

Sd/-
S. MAHADEVAN
Company Secretary

Sd/-
R. MURALI
Chief Financial Officer



STATEMENT IN PURSUANCE OF SECTION 212 OF THE COMPANIES ACT, 1956:

Name of the Subsidiary Company : Sree Mahalakshmi Smelters Private Ltd

Financial of the Subsidiary ended on : 31st March, 2014

Holding Company's interest in the subsidiary : 51% (21,88,847 Equity shares of Rs. 10/- each)

Net Aggregate amount of the Profit/(Loss) of the subsidiary and not dealt within the Holding Company's Accounts:

- a) for the Current financial year of the subsidiary Company : ₹. (-) 1,89,35,898/-
b) for the previous financial year of the subsidiary Company : ₹. (-) 91,51,809/-

Net Aggregate amount of the Profit/(Loss) of the subsidiary dealt within the Holding Company's Accounts:

- a) for the Current financial year of the subsidiary Company : Not Applicable
b) for the previous financial year of the subsidiary Company : Not Applicable

Sd/-
S.N. VARADARAJAN
Executive Vice Chairman

Sd/-
VINOD NARSIMAN
Managing Director

Sd/-
S.INDERCHAND
Director

Sd/-
S. MAHADEVAN
Company Secretary

Sd/-
R. MURALI
Chief Financial Officer

Disclosure of Information relating to Subsidiary Companies as required by the Ministry of Corporate Affairs, Government of India vide General Circular No.2/2011 dated 8th February 2011:

Name of the Subsidiary: Sree Mahalakshmi
Smelter Private Limited
2013-14
₹

a) Share Capital	4,29,18,570
b) Reserves & Surplus	(9,29,18,570)
c) Total Assets	13,84,47,552
d) Total Liabilities	39,99,31,841
e) Turnover	31,68,01,435
f) Details of Investment	-
g) Profit/(Loss) Before tax	(4,96,45,967)
h) Provision for taxation	(1,25,16,755)
i) Profit/(Loss) After tax	(3,71,29,212)
j) Proposed Dividend	-
k) Reporting currency	Indian Rupee (₹)

INDEPENDENT AUDITORS' REPORT**ON THE CONSOLIDATED FINANCIAL STATEMENTS OF INDSIL HYDRO POWER AND MANGANESE LIMITED**

To

The Board of Directors of Indsil Hydro Power and Manganese Limited

We have audited the accompanying financial statements of Indsil Hydro Power and Manganese Limited ("the Company"), its subsidiaries and joint venture (the Company, its subsidiaries and joint venture constitute "the Group") which comprise the Consolidated Balance Sheet as at June 30, 2014, and the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these Consolidated financial statements on the basis of separate financial statements and other financial informations regarding components that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the Accounting Principles generally accepted in India: this includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

We report that Consolidated Financial Statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standards (AS) 21, "Consolidated Financial Statements" and Accounting Standards (AS) 27 "Financial Reporting of interests in Joint Venture" as notified pursuant to Companies (Accounting Standards) Rules, 2006 and on the basis of Separate Financial Statements of Indsil Hydro Power and Manganese Limited, its Subsidiaries and Joint Venture.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries and joint venture as mentioned in the 'Other Matter' paragraph below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) In the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at June 30, 2014
- (b) In the case of the Consolidated Statement of Profit and Loss, of the profit for the year ended on that date and
- (c) In the case of the Consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

Other Matter:

We did not audit the financial statements of the subsidiaries, whose financial statements reflect total assets(net) Rs.(50.95) Mn and Rs.12.32 Mn as at March 31, 2014 and June 30, 2014, Total revenues of Rs.3.17 Mn and Rs.11.32 Mn for the year then ended. We also did not audit the financial statements of the joint venture, whose aggregate share of net loss amounting to Rs. 30.80 Mn is also included in the Consolidated Financial Statements. These financial statements have been audited by other auditor whose reports have been furnished to us by the Management except in the case of financial statements of the subsidiaries. Our opinion is based solely on the reports of the other auditor and in case of above said subsidiaries which are based on Unaudited Management accounts. Our opinion is not qualified in respect of this matter.

For Raja & Raman

Chartered Accountants
Firm Registration No.003382S

E. R. Rajaram, FCA, DISA

Partner
Membership No. 018755

Coimbatore
August 27th, 2014



CONSOLIDATED BALANCE SHEET AS AT 30TH JUNE, 2014

PARTICULARS	NOTE No.	30.6.2014 ₹	30.6.2013 ₹
I EQUITY AND LIABILITIES			
Shareholder's funds			
(a) Share Capital	2.01	15,88,67,920	15,88,67,920
(b) Reserves and Surplus	2.02	61,80,77,040	49,01,46,120
(c) Minority interest		-	-
		<u>77,69,44,960</u>	<u>64,90,14,040</u>
Share Application money pending allotment			
Non- current liabilities			
(a) Long-term borrowings	2.03	51,73,46,724	30,81,65,192
(b) Deferred Tax liabilities (Net)		2,81,75,672	2,61,26,462
(c) Other Long term liabilities	2.04	3,97,694	2,83,306
(d) Long-term Provisions	2.05	12,25,08,698	12,11,12,529
		<u>66,84,28,788</u>	<u>45,56,87,489</u>
Current Liabilities			
(a) Short term borrowings	2.06	41,00,72,898	40,37,75,234
(b) Trade payables	2.07	40,61,33,236	15,55,48,583
(c) Other current liabilities	2.08	14,93,24,188	5,81,83,684
(d) Short term provisions	2.09	6,05,35,319	2,08,21,057
		<u>102,60,65,641</u>	<u>63,83,28,558</u>
TOTAL		<u><u>247,14,39,389</u></u>	<u><u>174,30,30,087</u></u>
II ASSETS			
Non-current assets			
(a) Fixed assets			
(i) Tangible assets	2.10	11,22,119,211	55,83,18,010
(ii) Intangible assets		3,14,11,353	3,17,72,895
(iii) Capital work-in-progress		5,36,79,086	27,76,06,739
(iv) Intangible assets under development		-	-
(b) Non-current investments	2.11	21,50,000	21,50,000
(c) Deferred Tax asset (net)		2,74,38,957	2,00,22,346
(d) Long-term loans and advances	2.12	18,13,05,950	17,18,33,263
		<u>141,81,04,556</u>	<u>106,17,03,253</u>
Current assets			
(a) Current investments	2.13	4,98,030	4,67,180
(b) Inventories	2.14	58,00,58,228	44,02,33,095
(c) Trade receivables	2.15	9,01,38,574	3,90,60,046
(d) Cash and Cash equivalents	2.16	7,10,78,771	3,50,08,635
(e) Short-term loans and advances	2.17	24,26,13,050	14,66,01,338
(f) Other Current assets	2.18	6,89,48,180	1,99,56,540
		<u>105,33,34,833</u>	<u>68,13,26,834</u>
TOTAL		<u><u>247,14,39,389</u></u>	<u><u>174,30,30,087</u></u>
Significant Accounting Policies and Notes on Financial Statements	I & II 2.01 to 2.37		

Vide our report of date attached

For **RAJA & RAMAN**
Chartered Accountants
Firm Reg. No. : 003382S

Sd/-
E.R. RAJARAM
Partner
Membership No.018755

Sd/-
S.N. VARADARAJAN
Executive Vice Chairman

Sd/-
VINOD NARSIMAN
Managing Director

Place : Coimbatore
Date : 27.08.2014

Sd/-
S. INDERCHAND
Director

Sd/-
S. MAHADEVAN
Company Secretary

Sd/-
R. MURALI
Chief Financial Officer

**CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 30TH JUNE, 2014**

PARTICULARS	NOTE No.	30.6.2014 ₹	30.6.2013 ₹
I Revenue from operations	2.19	150,08,49,647	119,61,34,440
II Other Income	2.20	8,39,36,645	3,45,98,936
III Total Revenue (I + II)		<u>158,47,86,292</u>	<u>123,07,33,376</u>
IV Expenses :			
Cost of Materials Consumed	2.21	62,02,01,579	59,19,33,778
Purchases of Stock in Trade	2.22	13,94,92,872	11,53,56,237
Changes in inventories of finished goods, work in progress	2.23	6,06,11,267	(7,24,42,140)
Manufacturing Expenses	2.24	40,60,50,653	39,11,31,755
Employee benefits expense	2.25	7,33,06,542	6,66,49,879
Finance Costs	2.26	7,30,35,790	4,92,04,525
Depreciation and amortization	2.27	7,01,15,897	4,63,93,167
Other expenses	2.28	10,16,76,737	7,08,92,389
Total Expenses		<u>154,44,91,336</u>	<u>125,91,19,591</u>
V Profit before exceptional and extraordinary items and tax		4,02,94,956	(2,83,86,215)
VI Extraordinary items		-	-
Profit before tax & Minority Interest		4,02,94,956	(2,83,86,215)
Add: Profit / (loss) attributable to Minority Interest		-	-
VII Profit before tax		4,02,94,956	(2,83,86,215)
VIII Tax expense:	2.29		
(1) Current tax		2,21,36,022	8,30,000
(2) Deferred tax		(1,04,67,545)	(83,19,144)
(3) MAT Credit Entitlement		(2,21,36,022)	(8,30,000)
		<u>(1,04,67,545)</u>	<u>(83,19,144)</u>
IX Profit/(loss) for the period		<u>5,07,62,500</u>	<u>(2,00,67,071)</u>
X Earnings per equity share:	2.30		
(1) Basic		3.20	(1.26)
(2) Diluted		3.20	(1.26)
Significant Accounting Policies and Notes on Financial Statements	I & II 2.01 to 2.37		

Vide our report of date attached

For **RAJA & RAMAN**
Chartered Accountants
Firm Reg. No. : 003382S

Sd/-
E.R. RAJARAM
Partner
Membership No.018755

Place : Coimbatore
Date : 27.08.2014

Sd/-
S.N. VARADARAJAN
Executive Vice Chairman

Sd/-
S. INDERCHAND
Director

Sd/-
VINOD NARSIMAN
Managing Director

Sd/-
S. MAHADEVAN
Company Secretary

Sd/-
R. MURALI
Chief Financial Officer



CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2014

Particulars	30.06.2014 ₹	30.06.2013 ₹
2.01 SHARE CAPITAL		
AUTHORIZED		
2,00,00,000 equity shares of ₹ 10/- each	20,00,00,000	20,00,00,000
5,00,000 Redeemable Cumulative Preference Shares of ₹100/- each	5,00,00,000	5,00,00,000
	<u>25,00,00,000</u>	<u>25,00,00,000</u>
ISSUED		
1,58,86,792 equity shares of ₹ 10/- each fully paid up	<u>15,88,67,920</u>	<u>15,88,67,920</u>
SUBSCRIBED AND PAID UP CAPITAL		
1,58,86,792 equity shares of ₹ 10/- Each	<u>15,88,67,920</u>	<u>15,88,67,920</u>

(a) Terms/rights attached to equity shares:

The Company has only one class of issued shares referred to as equity shares having a par value of ₹10/- each. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors, if any, is subject to the approval of shareholders in the Annual General Meeting.

(b) The number of shares outstanding at the beginning and at the end of the reporting period are the same.

(c) Details of Shareholder's holding more than 5% of shares:

Name of Shareholder	30.06.2014		30.06.2013	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Sunmet Holdings India Private Limited	55,18,252	34.73%	54,18,252	34.73%
Sri. S N Varadarajan	10,90,208	6.86%	10,90,208	6.86%
Kerala State Industrial Development Corporation	10,54,166	6.64%	10,54,166	6.64%
TOTAL	76,62,626	48.23%	76,62,626	48.23%

d) Aggregate number of bonus shares issued in the preceding 5 years

Equity Shares	No. of Shares	₹
Equity shares allotted as fully paid bonus shares pursuant to capitalisation of reserves in 2010-11.	63,54,717	6,35,47,170



CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2014 (Contd.)

2.02 RESERVES & SURPLUS

Particulars	30.06.2014 ₹	30.06.2013 ₹
Securities Premium Account :		
Opening balance	94,04,356	89,51,843
Add: Credit on Excise of ESOS Shares during the year (No. of shares issued : 4,625 shares @ ₹ 62.40)	2,88,600 -	4,52,513 -
Closing balance	96,92,956	94,04,356
General Reserves :		
Opening balance	12,67,60,003	12,52,60,003
Add: Additions During the year	-	15,00,000
Closing balance	12,67,60,003	12,67,60,003
Others :		
State Investment Subsidy	-	-
Surplus :		
Opening balance	44,30,11,753	46,87,12,995
(+) Net Profit/(Net Loss) For the current year	5,07,62,500	(2,00,67,071)
(+) Loss attributable to Minority Interest (to the extent available)	-	36,59,205
(-) Proposed Dividends	(1,90,64,150)	(79,43,396)
(-) Tax on proposed dividend	(38,12,449)	(13,49,980)
Closing balance	47,08,97,655	44,30,11,753
- ESOS Outstanding (Net of Unamortised Deferred Employee Compensation)	-	2,28,475
Exchange Fluctuation reserve	1,07,26,427	(8,92,58,469)
Closing Balance	61,80,77,040	49,01,46,120

2.03 LONG TERM BORROWINGS

Secured :

Term loans

- Rupee Term Loans from Banks	13,85,63,313	12,69,39,919
- Foreign Currency Term Loans	35,34,72,963	12,82,06,126

ECB from Standard Chartered Bank, London

- 3,43,12,499

Unsecured :

Loans & Advances from Related Parties

- Indsil Hydro Power & Manganese Ltd	66,04,288	-
- Indsil Energy and Electrochemicals Ltd	1,87,06,159	1,87,06,648

Total

51,73,46,724

30,81,65,192

- 1) ECB Loan of 11,25,000 USD procured from Standard Chartered Bank is repayable in 12 equal quarterly instalments of USD 93,750 each. Interest is payable at LIBOR plus 300 BPS on a quarterly basis. The loan is secured by way of first pari passu charge on the fixed assets of the Company and second pari passu charge on the current assets of the Company.
- 2) The Company has availed a 5 Crores Rupee term loan from Yes Bank repayable in 12 equal quarterly instalments. The Loan is secured by way of pari passu charge on the fixed assets of the Company and second pari passu charge on the current assets of the Company.
- 3) The Company has a term loan facility of RO 7 million (26.62% considered for consolidation) from Bank Muscat SAOG. The loan is secured by the personal guarantee of members and the first charge on the assets of the Company. Interest is charged at rate of 4.75% per annum. The repayment of the loan will start after one year of the first drawdown.

**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2014 (Contd.)**

Particulars	30.06.2014 ₹	30.06.2013 ₹
2.04 OTHER LONG TERM LIABILITIES		
Finance Lease Liability	3,97,694	2,83,306
Total	3,97,694	2,83,306
2.05 LONG TERM PROVISIONS		
Provision for Employee Benefits :		
- Provision for Gratuity	1,15,59,268	1,01,63,099
- Electricity Charges	11,09,49,430	11,09,49,430
Total	12,25,08,698	12,11,12,529
2.06 SHORT TERM BORROWINGS		
Secured :		
From Banks		
- Rupee Loan	20,45,40,703	10,57,87,424
- Foreign Currency Loan	20,55,32,195	24,24,19,985
Loan repayable on demand	-	5,55,67,825
Total	41,00,72,898	40,37,75,234
<p>1) Working capital facilities from State Bank of Travancore, IDBI Bank Ltd, Standard Chartered Bank and Yes Bank Ltd have pari passu first charge on the entire current assets of the Company and pari passu second charge on entire fixed assets of the Company. Working capital facilities from State Bank of Travancore, Standard Chartered Bank and Yes Bank Ltd are further guaranteed by the personal guarantee of Sri Vinod Narsiman, Managing Director to the extent of limit sanctioned.</p> <p>2) Working Capital facilities from Banks are repayable on demand and carries interest rates varying from 10% to 14% p.a. Packing credit in Foreign Currency is repayable on demand and carries interest LIBOR plus 250 BPS. to LIBOR plus 300 BPS. For Buyers credit In Foreign Currency is repayable on demand and carries interest LIBOR plus 90 BPS to LIBOR plus 150 BPS.</p>		
2.07 TRADE PAYABLES		
Dues to Micro, Small and Medium Enterprises	-	-
Dues to others	40,61,33,236	15,55,48,583
Total	40,61,33,236	15,55,48,583
<p>The company has initiated the process of obtaining confirmation from suppliers who have registered themselves under the "Micro, Small and Medium Enterprises Development Act, 2006". Based on the information and evidence available with the company, there are no dues / interest payable to Micro, Small and Medium enterprises.</p>		
2.08 OTHER CURRENT LIABILITIES		
Advance from Customers	10,48,858	1,40,51,076
Unpaid Dividend	20,89,918	21,43,352
Accrued Employee benefits	1,79,56,888	91,02,121
Statutory liabilities	1,20,37,200	50,10,138
Current Portion of Long Term Borrowings/Lease Liability	7,17,46,376	1,74,31,968
Accruals	78,64,609	1,04,45,029
Bank Over draft	3,58,64,054	-
Other payables	7,16,286	-
Total	14,93,24,188	5,81,83,684
2.09 SHORT TERM PROVISIONS		
Employee benefits payable	5,57,134	14,41,355
Other Short Term provisions	3,71,01,586	1,00,86,327
Proposed Dividend & Corporate Dividend Tax on proposed Dividend	2,28,76,599	92,93,376
Total	6,05,35,319	2,08,21,058



CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2014 (Contd.)

2.10 FIXED ASSETS

Particulars	Gross Block			Depreciation		Nett Block	
	Cost as on 1.7.2013	Additions during the year	Deletions during the year	Upto 30.6.2013	For the year	WDV as on 30.6.2014	WDV as on 30.6.2013
Tangible Assets							
Land	37,675,423	0-	2,968,318	0-	0-	34,707,105	34,431,010
Building	338,435,832	2,968,318	-	132,330,566	11,375,223	197,698,361	206,105,266
Plant and Machinery	601,693,080	624,506,934	-	334,576,336	52,257,867	839,365,811	266,337,300
Electrical Equipment	71,849,328	3,420	-	34,588,446	2,361,297	34,903,005	37,260,892
Vehicles	11,675,840	1,991,015	778,877	2,787,474	1,351,788	9,158,720	8,718,047
Office Equipments	18,236,812	3,062,843	-	12,726,466	2,286,981	6,286,209	5,465,506
SUB TOTAL (A)	107,95,66,315	63,25,32,530	37,47,195	51,70,09,288	6,96,33,156	112,21,19,211	55,83,18,010
Capital Work-in-progress							
	314,075,871	359,689,711	620,086,496	-	-	53,679,086	277,606,739
SUB TOTAL (B)	314,075,871	359,689,711	620,086,496	-	-	53,679,086	277,606,739
Intangible Assets							
ERP Software	2,413,704	-	-	120,355	482,741	1,810,608	2,293,349
Goodwill on Consolidation	29,479,545	121,200	-	-	-	29,600,745	29,479,546
SUB TOTAL (C)	31,893,249	121,200	-	120,355	482,741	31,411,353	31,772,895
Total [A + B + C]	142,55,35,436	99,23,43,441	62,38,33,690	51,71,29,643	7,01,15,897	120,72,09,650	86,76,97,644

**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2014 (Contd.)**

Particulars	30.06.2014 ₹	30.06.2013 ₹
2.11 NON-CURRENT INVESTMENTS		
Non Trade Investments - Unquoted Equity		
8,000 fully paid-up equity shares of ₹10/- each in Kurumpetty HPP Ltd	80,000	80,000
8,000 fully paid-up equity shares of ₹10/- each in Palayakkam HPP Ltd	80,000	80,000
8,000 fully paid-up equity shares of ₹10/- each in Upper Poringal HPP Ltd	80,000	80,000
8,000 fully paid-up equity shares of ₹10/- each in Vattapara HP Ltd	80,000	80,000
1,57,500 fully paid-up equity shares of ₹10/- each in Malayalam Communications Ltd.	15,75,000	15,75,000
Trade Investments - Unquoted Equity		
25,500 fully paid-up equity shares of ₹10/- each in Indsil Energy & Electrochemicals Ltd. (extent of Holding 0.65% of 38,69,300 shares)	2,55,000	2,55,000
Aggregate Value of Unquoted Investments	21,50,000	21,50,000
2.12 LONG TERM LOANS AND ADVANCES		
Secured, considered good		
Security Deposits	2,25,86,686	2,28,42,671
Unsecured considered good		
Advance for Capital Expenses & Purchases	-	77,08,858
Other loans and advances		
- Electricity charges recoverable	5,31,11,594	5,29,02,873
- Security Deposits	2,06,36,151	2,11,63,877
- Other Loans & Advances	51,52,884	16,78,026
- Rental Advances	13,14,080	11,21,000
- Tax Payment Pending Adjustments	7,85,04,555	1,59,57,677
- MAT Credit Entitlement	-	4,84,58,281
Total	18,13,05,950	17,18,33,263
2.13 CURRENT INVESTMENTS		
Investment in Mutual Funds		
DSP Blackrock Money Manager Fund	4,98,030	4,67,180
Total	4,98,030	4,67,180



CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2014 (Contd.)

Particulars	30.06.2014 ₹	30.06.2013 ₹
2.14 INVENTORIES		
Raw Materials and components	35,04,71,279	23,89,07,561
Goods in Transit	2,01,06,797	2,80,41,985
Work-in-progress	6,08,57,763	37,85,655
Finished goods	14,03,47,428	15,31,99,134
Stores and spares	75,76,838	86,30,426
Consumables	4,85,292	74,31,142
Packing Materials	2,12,832	2,37,192
Total	58,00,58,228	44,02,33,095
2.15 TRADE RECEIVABLES		
Trade receivables outstanding for a period less than six months from the date they are due for payment		
Secured, considered good	7,97,07,618	3,70,80,165
Unsecured, considered good	24,13,680	16,13,751
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	2,11,934	3,66,131
Unsecured, considered good	-	-
Other Receivables	78,05,341	-
Total	9,01,38,574	3,90,60,046
2.16 CASH AND CASH EQUIVALENTS		
Balances with banks :		
a) In Current Accounts	45,66,185	29,08,447
b) In Fixed Deposits	1,00,60,564	87,50,718
c) Earmarked Balances- Unpaid Dividend	20,89,918	21,43,849
d) Margin money	3,54,15,360	1,92,13,024
Bank deposits with more than 12 months maturity	-	3,19,485
Cheques on hand	1,45,04,237	78,829
Cash on hand	44,42,507	15,94,283
Total	7,10,78,771	3,50,08,635
2.17 SHORT TERM LOANS AND ADVANCES		
Loans and advances to related parties :		
Unsecured, considered good		
- Unsecured Loan	78,59,806	19,97,423
- Advance for Expenses	43,378	5,08,406
Others :		
Balance With Revenue Authorities	4,22,75,676	3,70,27,754
Unsecured, considered good :		
- Advance for Expenses and Purchases	7,78,083	6,71,96,534
- Advance for Purchases	4,80,87,857	-
- Staff Advance	24,400	7,000
- Other Advance Recoverable	-	3,82,72,419
- Other Advances	14,20,04,960	-
- Advance for Expenses	6,09,078	14,62,118
- Prepaid Expenses	9,29,812	1,29,684
Total	24,26,13,050	14,66,01,338
2.18 OTHER CURRENT ASSETS		
Export Incentives receivable	2,44,67,651	1,99,56,540
Preliminary Expenses (Pre-Operative Expenses)	4,44,80,528	-
Total	6,89,48,180	1,99,56,540



Particulars	30.06.2014 ₹	30.06.2013 ₹
2.19 REVENUE FROM OPERATIONS		
Sale of Products:		
- Smelter	138,83,62,172	118,77,06,505
- Power	17,34,23,198	7,49,87,824
- Other	9,07,57,223	-
Excise duty	(4,49,69,243)	(6,85,64,518)
Sales of Raw Material	1,82,09,131	2,23,21,642
Interdivisional Sale of Power	(17,34,23,198)	(7,49,87,824)
Other Operating Income		
Export Claims	4,84,90,364	5,46,70,810
Total	150,08,49,647	119,61,34,439
2.20 OTHER INCOME		
Interest Income	36,89,548	40,63,992
Dividend Income	30,850	9,82,538
Profit on Sale of Assets	78,307	-
Scrap sales	33,08,196	-
Income from REC's	6,51,78,000	2,55,95,141
Other non-operating income	1,16,51,745	39,57,265
Total	8,39,36,645	3,45,98,936
2.21 COST OF MATERIALS CONSUMED		
Consumption of raw materials	62,02,01,579	59,19,33,778
Total	62,02,01,579	59,19,33,778
2.22 PURCHASE OF STOCK-IN-TRADE		
Purchase of Stock-in-Trade	13,94,92,872	11,53,56,237
Total	13,94,92,872	11,53,56,237
2.23 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS		
Finished Goods: Opening Stock	14,05,61,376	8,25,05,433
Less: Closing Stock	(8,00,54,916)	(15,43,37,655)
	6,05,06,459	(7,18,32,222)
Work-in-Progress : Opening Stock	26,47,134	20,37,216
Less: Closing Stock	(25,42,326)	(26,47,134)
	1,04,808	(6,09,918)
Change in inventory	-	-
Total	6,06,11,267	(7,24,42,140)
2.24 MANUFACTURING EXPENSES		
Power & Fuel (Net)	33,50,49,486	33,36,20,390
Packing, Freight & Forwarding	5,33,08,223	4,65,63,829
Direct Contractual Wages	1,13,37,321	55,51,180
Repairs and Maintenance	15,03,104	12,95,078
Royalty	48,52,520	41,01,278
Total	40,60,50,653	39,11,31,755

**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2014 (Contd.)**

Particulars	30.06.2014 ₹	30.06.2013 ₹
2.25 EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	5,41,13,976	5,34,64,388
Contribution to provident Fund and other funds	43,65,338	40,17,823
Employee compensation - ESOS amortisation	60,125	1,24,090
Provision for Gratuity & Earned Leave Encashment	11,07,783	11,61,424
Staff welfare expenses	1,36,59,320	78,82,155
Total	7,33,06,542	6,66,49,879
2.26 FINANCE COSTS		
Interest expense	5,31,71,518	4,00,28,831
Other borrowing costs	1,98,64,272	91,75,694
Total	7,30,35,790	4,92,04,525
2.27 DEPRECIATION		
Depreciation	7,01,15,897	4,63,93,167
Total	7,01,15,897	4,63,93,167
2.28 OTHER EXPENSES		
Communication Expenses	30,68,213	25,68,949
Commission to Other Directors	63,85,042	-
Travelling Expenses	62,52,926	71,66,637
Repairs & Maintenance :		
Plant & Machinery	1,55,15,076	1,40,23,580
Building & Others	57,12,538	28,62,817
Insurance Expenses	22,44,767	27,18,386
Legal Expenses	31,51,034	7,84,000
Professional Charges	75,40,933	43,76,538
Security service charges	46,94,452	45,33,334
Stationery Expenses	9,69,876	6,96,336
Auditors Remuneration	3,73,750	4,01,236
Rent	38,20,248	22,95,338
Rates & Taxes	27,52,048	22,73,923
Advertisement & Publicity	1,01,352	-
Subscription & Donation	42,78,221	26,77,686
Sitting Fees	4,21,703	8,93,775
Sales Promotion expenses	15,45,619	5,47,661
Sales Commission	1,43,32,681	63,84,256
Transportation Charges	37,60,478	-
General Expenses	8,69,395	74,11,155
Exchange Fluctuation(Net)	85,79,245	80,65,749
Loss on sale of Assets	-	2,11,034
Miscellaneous Expenses	53,07,140	-
Total	10,16,76,737	7,08,92,389
2.29 CURRENT & DEFERRED TAX		
Current tax	2,21,36,022	8,30,000
Deferred tax	(1,04,67,545)	(83,19,144)
MAT Credit Entitlement	(2,21,36,022)	(8,30,000)
Total	(1,04,67,545)	(83,19,144)

**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2014 (Contd.)**

Particulars	30.06.2014 ₹	30.06.2013 ₹
2.30 EARNINGS PER SHARE		
Profit After Tax	5,07,62,500	(2,00,67,071)
Equity share of ₹ 1 each	1,58,86,792	1,58,86,792
Basic & Diluted Earnings per share	3.20	(1.26)
No. of shares outstanding - Basic & Diluted	1,58,86,792	1,58,86,792

2.31 THE SUBSIDIARY COMPANIES/JOINT VENTURES CONSIDERED IN THE CONSOLIDATED FINANCIAL STATEMENTS:

Name of the Company	Country of Incorporation	"Subsidiary/ Joint Venture"	% of Ownership
Al-Tamman Indsil Ferro Chrome LLC (JV)	Oman	Joint Venture	26.62%
Sree Mahalakshmi Smelters Private Limited	India	Subsidiary	51%
Indsil Hydro Global (FZE)	Sharjah	Wholly Owned Subsidiary	100%

2.32 INTEREST IN JOINT VENTURE

The Company has entered into an agreement by which the Company is a party to a Joint Venture viz. Al Tamman Indsil Ferro Chrome LLC.

The Company has invested 12,67,834 OMR in the capital of 47,62,746 equity shares of 1 OMR each which is equivalent to an ownership interest of 26.62% (Previous year: OMR 37,500 in the capital of 1,50,000 equity shares of 1 OMR each which is equivalent to an ownership interest of 25%)

The Following represents the Group's share of assets and liabilities and Income and results of the Joint Venture included in the Balance Sheet and Statement of Profit and Loss.

	Year ended 31.12.2014 ₹	Year ended 31.12.2013 ₹
Balance Sheet :		
Reserves and Surplus	(4,63,92,003)	(67,49,716)
Non Current Liabilities	33,67,14,411	12,84,89,431
Current Liabilities	40,89,07,747	1,02,46,634
Fixed Assets (Net)	60,31,22,000	22,17,56,118
Current Assets	29,97,98,549	15,16,557
Statement of Profit and Loss:		
Income	9,07,90,688	-
Expenses	12,15,88,685	49,46,876
Profit Before Tax	(3,07,97,997)	(49,46,876)
Provision for Taxes	-	-
Profit After Tax	(3,07,97,997)	(49,46,876)

Note: The audited accounts of Al-Tamman Indsil Ferro Chrome LLC., Joint Venture for the year ended 31st December, 2013 is based on the International Financial Reporting Standards (IFRS). For the purposes of consolidation with Indsil Hydro Power and Managanese Limited, certain expenses like project salaries/ electricity charges/ rent for the leased land for the factory under construction which has been charged-off in the Statement of Profit & Loss in the JV enterprises have been capitalised as pre-operative expenses (RO 10,97,183) in the consolidated financial statements as per Indian Accounting Standards as the same is specifically attributable to the Ferro Chrome Project.



CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2014 (Contd.)

2.33 Related Party Transactions with whom transactions have taken place during the year 2013-14 and relationship:

- a) Associates : Sunmet Holdings India P. Ltd, Indsil Energy and Electrochemicals Ltd.
- b) Key Management Personnel : Sri. S.N.Varadarajan
Sri. Vinod Narsiman
- c) Relatives of Key Management Personnel : Smt. D.Pushpa Varadarajan (W/o Sri S.N. Varadarajan)

Particulars	Associates	Key Management Personnel
	₹	₹
<u>Current Year (30.6.2014)</u>		
Sales of Raw Material	52,25,000	-
% on Turnover	0.35	-
Royalty paid	48,52,520	-
% on Turnover	0.32	-
Rent paid	14,36,104	2,88,000
% on Turnover	0.10	0.02
Directors' Sitting Fees	-	35,000
% on Turnover	-	0.00
Managerial Remuneration	-	71,00,250
% on Turnover	-	0.47
Unsecured Loan granted to Subsidiary	621,779	-
% on Turnover	0.04	-
Balances outstanding	-	(1,16,31,599)
% on Turnover	-	(0.78)

Particulars	Associates	Key Management Personnel
	₹	₹
<u>Previous Year (30.6.2013)</u>		
Purchase of Raw Materials	5,29,24,697	-
% on Turnover	4.4	-
Sale of Finished Goods	2,14,25,603	-
% on Turnover	1.8	-
Sale of Raw Materials	2,83,51,103	-
% on Turnover	2.4	-
Royalty paid	41,01,278	-
% on Turnover	0.3	-
Rent paid	12,97,216	2,88,000
% on Turnover	0.1	0.0
Directors' Sitting Fees	-	28,33,200
% on Turnover	-	0.2
Managerial Remuneration	-	12,13,764
% on Turnover	-	0.1
Unsecured Loan granted to Subsidiary/ Others	1,87,14,134	-
% on Turnover	1.6	-
Balances outstanding	1,24,35,326	(69,07,654)
% on Turnover	1.0	(0.6)

**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2014 (Contd.)**

2.34 SEGMENT INFORMATION	30.06.2014	30.06.2013
	₹	₹
Primary Segments (Business Segments)		
1. Segment Revenue		
a) Smelter	148,01,17,586	128,01,01,880
b) Hydro Power	17,34,23,198	7,49,87,824
	<u>165,35,40,784</u>	<u>135,50,89,704</u>
Less : Intersegment Revenue	17,34,23,198	7,49,87,824
Net Revenue :	<u>148,01,17,586</u>	<u>128,01,01,880</u>
2. Segment Results :		
(Profit / Loss before Financial charges & Tax)		
a) Smelter	(5,95,20,229)	(4,41,78,318)
b) Hydro Power	19,92,89,074	7,53,80,506
	<u>13,97,68,845</u>	<u>3,12,02,188</u>
Add / Less : Unallocable Income/Expenses	30,850	9,82,538
Operating Profit	13,97,99,695	3,21,84,726
Less : Financial Charges	6,87,06,742	2,95,52,170
Total Profit / (Loss) before Tax & extraordinary items and Minority Interest	7,10,92,953	26,32,556
Add : Minority Interest	-	-
Total Profit/(Loss) before Tax	<u>7,10,92,953</u>	<u>26,32,556</u>
3. Capital Employed :		
(Segment Assets - Segment Liabilities)		
a) Smelter	71,26,12,383	62,60,64,202
b) Hydro Power	33,37,66,041	31,49,20,214
	<u>104,63,78,424</u>	<u>94,09,84,416</u>



CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2014 (Contd.)

2.35 Operating Lease:

The Company has entered into operating lease, having a lease period ranging from 1-5 years, with an option to renew the lease. The future minimum lease payments are as follows

Particulars	30.06.2014 ₹	30.06.2013 ₹
not later than one year	14,18,352	13,50,816
later than one year and not later than five years	64,18,956	61,13,292
later than five years	-	-

2.36 Previous year figures have been regrouped where ever necessary to confirm to current year classification.

2.37 Other Notes forming Part of Accounts:

These are set out in and under "Notes to Financial Statement forming part of accounts for the year ended 30 June 2014" as given in the stand alone Financial Statements of Indsil Hydro Power and Manganese Limited.

Vide our report of date attached

For **RAJA & RAMAN**
Chartered Accountants
Firm Reg. No. : 003382S

Sd/-
E.R. RAJARAM
Partner
Membership No.018755

Place : Coimbatore
Date : 27.08.2014

Sd/-
S.N. VARADARAJAN
Executive Vice Chairman

Sd/-
S. INDERCHAND
Director

Sd/-
S. MAHADEVAN
Company Secretary

Sd/-
VINOD NARSIMAN
Managing Director

Sd/-
R. MURALI
Chief Financial Officer



I. SIGNIFICANT ACCOUNTING POLICIES TO THE CONSOLIDATED BALANCE SHEET AND STATEMENT OF PROFIT AND LOSS

I. Principles of consolidation :

The Consolidated Financial Statements relate to Indsil Hydro Power and Manganese Limited ("the Company") and its subsidiary Company and Joint Venture. The Consolidated financial statements have been prepared on the following basis:

- i) The financial statements of the Company and its Subsidiary Company are combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profit or losses in accordance with Accounting Standard (AS) 21 – "Consolidated Financial Statements" as prescribed under Section 211(3C) of the Companies Act, 1956.
- ii) Interests in Joint Venture have been accounted by using the proportionate consolidation method as per Accounting Standard (AS) 27 - "Joint Ventures".
- iii) The difference between the cost of investment in the subsidiary over the net assets at the time of acquisition of shares in the subsidiary is recognised in the Financial Statements as Goodwill or Capital Reserve as the case may be.
- iv) As far as possible, the Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

- II. Investments other than in subsidiary and Joint Venture have been accounted as per Accounting Standard (AS) 13 on Accounting for Investments.

III. Other Significant Accounting Policies :

These are set out under "Notes on Accounts" as given in the standalone Financial Statements of Indsil Hydro Power and Manganese Limited.

Vide our report of date attached

For **RAJA & RAMAN**
Chartered Accountants
Firm Reg. No. : 003382S

Sd/-
E.R. RAJARAM
Partner
Membership No.018755

Place : Coimbatore
Date : 27.08.2014

Sd/-
S.N. VARADARAJAN
Executive Vice Chairman

Sd/-
S. INDERCHAND
Director

Sd/-
S. MAHADEVAN
Company Secretary

Sd/-
VINOD NARSIMAN
Managing Director

Sd/-
R. MURALI
Chief Financial Officer

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH JUNE, 2014**

Particulars	Year ended 30.06.14 ₹	Year ended 30.06.13 ₹
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit / (loss) before tax	4,02,94,956	(2,83,86,215)
Adjustments for		
Interest Receipts	(36,89,548)	(40,63,992)
Income from Mutual Funds	(30,850)	(9,82,538)
Depreciation	7,01,15,897	4,63,93,167
Employee compensation - ESOS amortisation	60,125	1,24,090
Financial charges & Interest	7,30,35,790	4,92,04,525
Profit/Loss on sale of assets	(78,307)	2,11,034
Provision for gratuity and Encashment of earned leave	11,07,783	11,61,424
Bad Debts	-	7,16,000
Other non operating income	(1,16,51,745)	-
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	16,91,64,100	6,43,77,495
Adjustments for changes in		
Inventories	(13,98,25,133)	(9,49,48,010)
Trade receivables	(5,10,78,527)	1,38,18,665
Other advances	(9,60,11,712)	(8,02,10,919)
Other Current assets	(4,89,91,639)	-
Current liabilities	36,78,56,197	1,99,36,273
Cash generated from operations	20,11,13,286	(7,70,26,496)
Income Tax Payments	(1,40,88,597)	(92,75,922)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	18,70,24,689	(6,77,50,574)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(99,23,43,441)	(25,44,05,072)
Sale of Fixed Assets	62,35,12,441	2,25,052
Opening difference in fixed assets	-	(75,000)
Purchase of investments	-	40,63,992
Interest received	36,89,548	9,82,538
Income from Mutual Funds	30,850	-
Other non operating income	1,16,51,745	-
NET CASH FLOW FROM INVESTING ACTIVITIES (B)	(35,34,58,858)	(24,92,08,490)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of share capital	-	-
Repayment of Long term borrowings	-	-
Decrease in Long term Loan & Advances	46,15,910	-
Increase in Long term Borrowings	20,92,95,920	18,48,50,852
Increase in Short term Borrowings	62,97,663	21,42,00,860
Increase in Long term Provisions	53,88,530	-
Financial Charges & Interest	(7,30,35,790)	(4,92,04,525)
Payment of Dividend & Tax	(92,93,376)	(1,84,64,027)
FCTR Movments	5,92,66,296	(8,97,83,135)
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	20,25,35,154	24,16,00,025
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	3,61,00,985	(7,53,59,039)
Cash and Cash Equivalents as on 1.7.2013 (Opening Balance)	3,54,75,816	11,08,34,853
Cash and Cash Equivalents as on 30.6.2014 (Closing Balance)	7,15,76,801	3,54,75,814
Note :		
Cash and cash equivalents included in the cash flow statement comprises the following Balance sheet amounts:		
Cash in Hand and balance with Banks	7,10,78,771	3,50,08,635
Short term Investments in debt based liquid funds	4,98,030	4,67,180
	7,15,76,801	3,54,75,814

Vide our report of date attached

For **RAJA & RAMAN**
Chartered Accountants
Firm Reg. No. : 003382S

Sd/-
E.R. RAJARAM
Partner
Membership No.018755

Sd/-
S.N. VARADARAJAN
Executive Vice Chairman

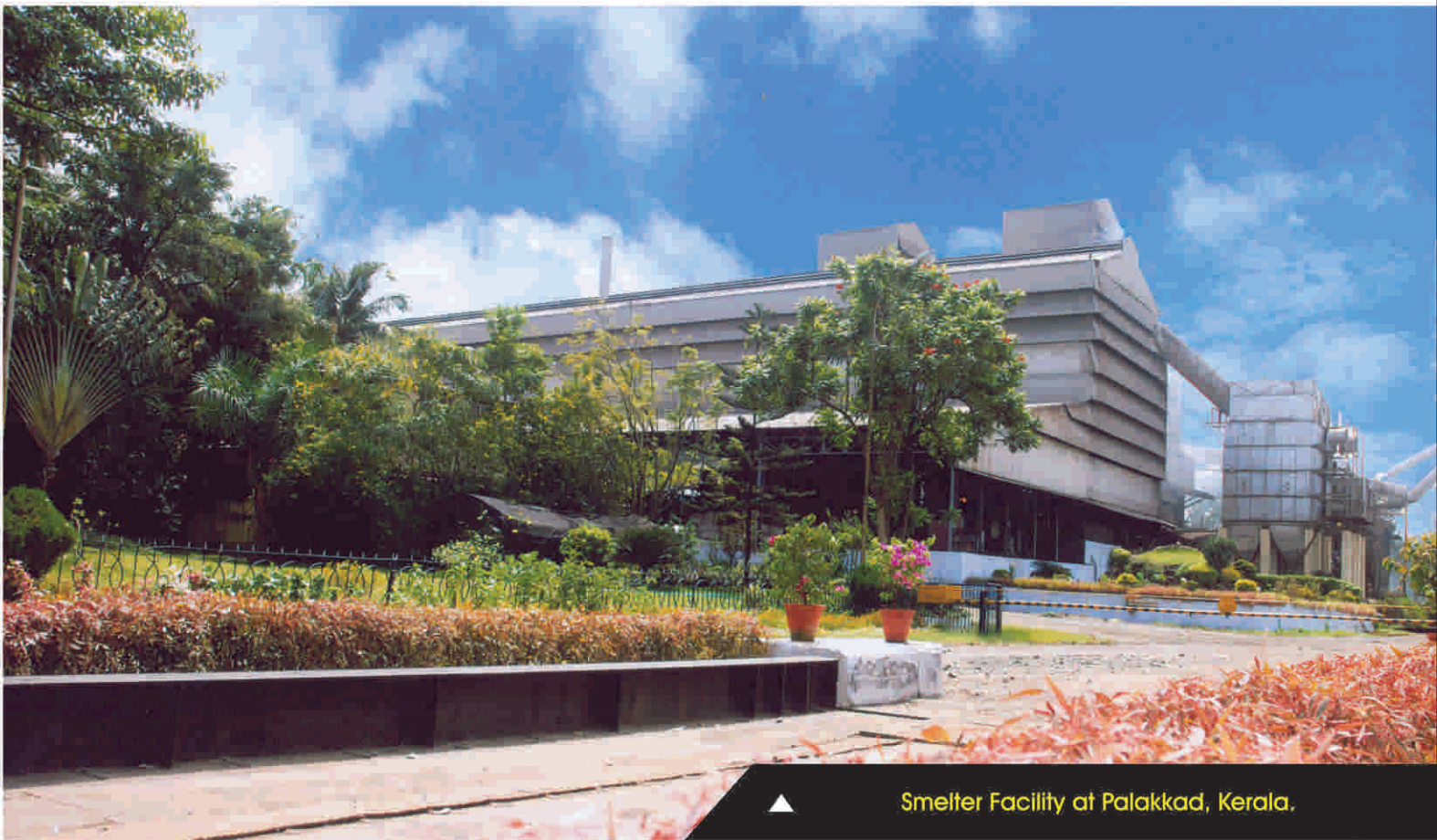
Sd/-
VINOD NARSIMAN
Managing Director

Place : Coimbatore
Date : 27.08.2014

Sd/-
S.INDERCHAND
Director

Sd/-
S. MAHADEVAN
Company Secretary

Sd/-
R. MURALI
Chief Financial Officer



Indsil Hydro Power and Manganese Limited

Registered Office : "INDSIL HOUSE", T.V. Samy Road (West),
R.S. Puram, Coimbatore - 641002. Tamil Nadu, India.

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