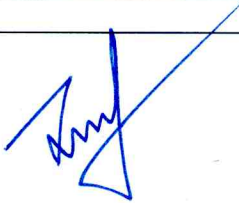

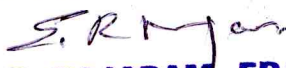



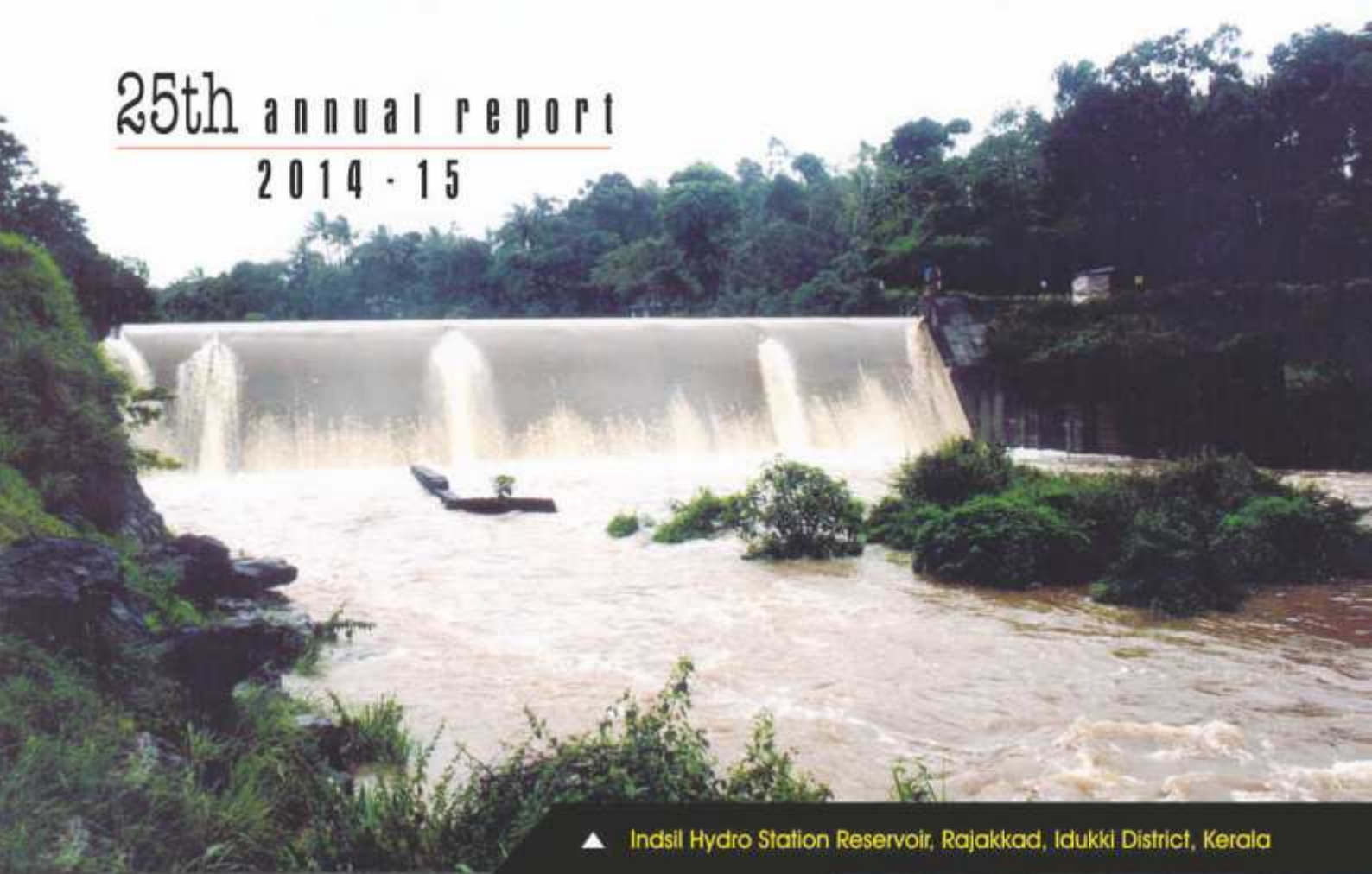
FORM A

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, 2015
3	Type of Audit observation	No Qualification
4	Frequency of observation	Nil
5	To be signed by-	
	Managing Director	
	CFO	
	Auditor of the Company	For RAJA & RAMAN CHARTERED ACCOUNTANTS FRN 003382 S  E.R. RAJARAM, FCA PARTNER M.NO. 18755 
	Audit Committee Chairman	

25th annual report

2014 - 15



▲ 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

25TH ANNUAL REPORT FOR THE YEAR ENDED 30TH JUNE, 2015

BOARD OF DIRECTORS

SRI B. BALCHAND
NON - EXECUTIVE 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 PHONE : 0422 2246591
email : rajaandraman@gmail.com

INTERNAL AUDITOR

SMT. K.R. DIVYA
CHARTERED ACCOUNTANT
No. 37, P.M.SAMY COLONY, 1st STREET, R.S.PURAM
COIMBATORE 641 002 Mob : 95974 00200
email : divyaramankr@yahoo.co.in

SECRETARIAL AUDITORS

KSR & Co COMPANY SECRETARIES LLP
INDUS CHAMBERS, GROUND FLOOR
NO. 101 GOVT. ARTS COLLEGE ROAD
COIMBATORE 641 018 Ph : 0422 2305676, 2302868
email : rirs@eth.net

REGISTRARS & SHARE TRANSFER AGENTS (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
EXPORT IMPORT BANK OF INDIA
IDBI BANK LIMITED
YES BANK LIMITED
STANDARD CHARTERED BANK
THE FEDERAL BANK LIMITED

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

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

WHOLLY OWNED SUBSIDIARY

INDSIL HYDRO GLOBAL (FZE)
SAIF LOUNGE P.O. BOX 9049
SHARJAH AIRPORT INTERNATIONAL
FREE ZONE (SAIF) UAE

CONTENTS

NOTICE	03
BOARD OF DIRECTOR'S REPORT	11
REPORT ON CORPORATE GOVERNANCE	43
AUDITORS' REPORT ON STANDALONE FINANCIAL STATEMENTS	56
STANDALONE BALANCE SHEET	60
STANDALONE STATEMENT OF PROFIT AND LOSS	61
STANDALONE NOTES TO FINANCIAL STATEMENTS	62
STANDALONE CASH FLOW STATEMENT	79
STATEMENT PURSUANT TO SECTION 129 OF THE COMPANIES ACT, 2013	80
AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS	82
CONSOLIDATED BALANCE SHEET	86
CONSOLIDATED STATEMENT OF PROFIT AND LOSS	87
CONSOLIDATED NOTES TO FINANCIAL STATEMENTS	88
CONSOLIDATED CASH FLOW STATEMENT	100

NOTICE OF THE 25th ANNUAL GENERAL MEETING

NOTICE is hereby given that the 25th Annual General Meeting of the Company will be held at Chamber Towers, 8/732 Avanashi Road, Coimbatore 641 018 on Wednesday, the 16th day of December, 2015 at 11.00 A.M. to transact the following business:

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

AGENDA

ORDINARY BUSINESS

1. To receive, consider and adopt the Standalone and Consolidated Annual Financial Statements including the Statement of Profit & Loss, Cash Flow Statement for the Financial Year ended 30th June, 2015, the Balance Sheet as at that date, the Reports of the Directors and the Report of the Auditors thereon.
2. To declare dividend on the equity shares.
3. To appoint a Director in place of Sri S Inderchand (DIN 00035907), who retires from office by rotation, and being eligible, offers himself for reappointment.
4. To appoint a Director in place of Smt D Pushpa Varadarajan (DIN 00035787), who retires from office by rotation, and being eligible, offers herself 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 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 and fix their remuneration plus service tax, out of pocket expenses, etc.

SPECIAL BUSINESS

6. RATIFICATION OF REMUNERATION OF COST AUDITOR :

To consider and if thought fit, to pass with or without modification (s), the following resolution as an ordinary resolution.

"RESOLVED THAT pursuant to Section 148 (3) and all other applicable provisions, if any, of the Companies Act, 2013, and Companies (Audit & Auditors) Rules, 2014 (including any statutory amendments and modification(s) thereof, for the time being in force), the remuneration payable to Sri.B.Venkateswar, Cost Accountant having Membership No. 27622 appointed by the Board of Directors of the Company to conduct the Cost Audit of the Company for the financial years 2014-15 & 2015-16 amounting to ₹ 18,000/- (Rupees Eighteen Thousand Only) per annum for each such financial year excluding service tax as applicable and reimbursement of out of pocket expenses incurred in connection with the aforesaid audit be and is hereby ratified and confirmed".

"RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts and take all such steps as may be necessary or expedient to give effect to this resolution."

7. RELATED PARTY TRANSACTIONS

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

"RESOLVED THAT approval of the shareholders be and is hereby accorded for the transactions involving sale / purchase of raw materials, sale / purchase of finished goods between the Company and Sree Mahalakshmi Smelters Private Limited, a subsidiary of the Company entered into on arms length basis in the ordinary course of business of the Company during the financial year 2014-15 for an aggregate value of ₹ 24.5 Crores and proposed to be entered into during the current financial year 2015-16 as well for an aggregate value of not less than ₹ 25 Crores".

"RESOLVED FURTHER THAT approval of the shareholders be and is hereby accorded for the transactions involving sale / purchase of raw materials and sale / purchase of finished goods between the Company and Indsil Energy and Electrochemicals Private Limited which are being entered into and proposed to be entered into during the current financial year 2015-16 for an aggregate value of not less than ₹ 25 Crores".

Place : Coimbatore
Date : 2nd November, 2015

By Order of the Board
Sd/-
S.MAHADEVAN
Company Secretary.
Membership No. : 6508

NOTES FOR SHAREHOLDERS' ATTENTION:

1. A shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint a proxy to attend and vote in the meeting instead of himself / herself and the proxy need not be a shareholder of the Company. A person can act as proxy on behalf of shareholders not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. The proxy form should be lodged at the Registered Office of the Company at least 48 hours before the commencement of the meeting. A proxy form for the Annual General Meeting is enclosed.

Corporate shareholders are requested to send a duly certified Board Resolution, pursuant to Section 113 of the Companies Act, 2013 authorizing their representatives to attend and vote at the Annual General Meeting.

2. Subject to the provisions of the Companies Act, 2013, dividend as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid within a period of 30 days from the date of declaration to those shareholders whose names appear :
 - a) As beneficial owners as at the end of business hours on 9th December, 2015 as per the list to be furnished by NSDL & CDSL in respect of the shares held in electronic form and
 - b) As shareholders appearing in the Register of Members of the Company after giving effect to all valid share transfers in physical form on or before 9th December, 2015.

The Register of Members and Share Transfer books will be closed from Thursday, the 10th December, 2015 to Wednesday, the 16th December, 2015 (both days inclusive).

3. Details in respect of Directors retiring by rotation are annexed hereto.
4. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the meeting is annexed hereto.
5. Pursuant to the provisions of Investor Education and Protection Fund (uploading of information regarding unpaid and unclaimed amount lying with Companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed dividend amounts lying with the Company as on 19th December, 2014 (date of last Annual General Meeting) in the website of the Company (www.indsil.com).

Information in respect of unclaimed dividends, when due, for transfer to the Investor Education and Protection Fund (IEPF) are given below:

Sl. No.	For the financial year ended	Percentage of dividend (in %)	Date of declaration	Due date for transfer to the Investor Education and Protection Fund
1	30th June, 2008	15%	05.12.2008	11.01.2016
2.	30th June, 2009	10%	21.12.2009	28.01.2017
3.	30th June, 2010	15%	06.10.2010	05.11.2018
4.	30th June, 2011	10%	14.12.2011	18.01.2019
5.	30th June, 2012	10%	17.12.2012	18.01.2020
6.	30th June, 2013	5%	13.12.2013	18.01.2021
7.	30th June, 2014	12%	19.12.2014	05.02.2022

The Shareholders who have not encashed the aforesaid dividends are requested to make their claims to the Secretarial Department, Indsil Hydro Power and Manganese Limited, Indsil House, T.V.Samy Road West, R.S.Puram, Coimbatore - 641002, Tamil Nadu email: indsilho@indsil.com.

The Securities and Exchange Board of India ("SEBI") and the Ministry of Corporate Affairs have made it mandatory for all the Listed Companies to offer Electronic Clearing Service ("ECS") facilities for payment of dividend, wherever applicable. This facility offers various benefits like timely credit of dividend to the account of the shareholders, elimination of loss of instrument in transit and fraudulent encashment etc. In view of the above,

- i. Shareholders holding shares in physical form and desirous of availing the facility are requested to complete ECS form attached to this Annual Report and forward the same to the Company's Registrars and Share Transfer Agents S K D C Consultants Limited, "Kanapathy Towers", 3rd floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore 641 006. Phone: 0422-6549995, 2539835, email : info@skdc-consultants.com
- ii. Shareholders holding shares in dematerialized form are requested to provide the Bank details to the Depository Participants for incorporation in their records.
6. Shareholders holding shares in physical form are requested to notify change in their addresses, if any, to the Registrars & Share Transfer Agents of the Company and shareholders holding shares in dematerialised form are requested to notify change in their address to their respective Depository Participants.
7. Shareholders are requested to bring their copy of the Annual Reports to the Annual General Meeting. No fresh copies will be issued at the meeting.
8. Shareholders holding shares in physical form who have not yet given their bank's name, address and account number are requested to furnish the same to the Registrars & Share Transfer Agents of the Company.
9. 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.
10. Shareholders 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 Agents of the Company for consolidation of all such shareholdings into one account to facilitate better service.
11. For the convenience of the shareholders, an attendance slip is annexed to the proxy form. Shareholders are requested to affix their signatures at the space provided and hand over the attendance slip at the place of the meeting.
12. 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.
13. 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.
- 14. Equity shares of the Company have been placed under Compulsory De-mat trading. Shareholders who have not de-materialized their physical holding in the Company are advised to avail the facility of dematerialisation of equity shares of the Company.**
15. The ISIN of the equity shares of the Company is INE867D01018.
- 16. 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. Electronic mode of despatch of Annual Reports and notice has also been enabled under the Companies Act, 2013. Shareholders 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.**
17. The soft copy of the Annual Reports are sent to the e-mail addresses registered with the respective Depository Participant of the shareholders or with the Company and where such e-mail addresses are not available, physical form of Annual Reports are sent to the registered addresses of the concerned shareholders by Registered Parcel.
18. Pursuant to the provisions of Section 72 of the Companies Act, 2013, shareholders are requested to file Nomination Forms in respect of their shareholdings. Any shareholder wishing to avail this facility may submit to the Company's Registrars & Share Transfer Agents, the prescribed Statutory Form SH-13. Should any assistance be desired, shareholders should get in touch with the Company's Registrars & Share Transfer Agents.
19. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rules made thereunder, the shareholders are provided with the facility to cast their votes electronically, through the e-voting services provided by CDSL, on all resolutions set forth in this Notice.



Voting through electronic means :

- (a) In compliance with the provisions of Section 108 of the Companies Act, 2013 ("the Act") and Rule 20 of the Companies (Management and Administration) Rules, 2014 (hereinafter called the "Rules") for the purpose of this Section of this Notice) and Clause 35B of the Listing Agreement, facility is provided to the shareholders for exercising e-voting through Central Depository Services (India) Ltd., (hereinafter referred to "CDSL") to enable them to cast their votes electronically on the resolutions mentioned in the Notice of the 25th Annual General Meeting to the shareholders holding shares as on 9th December, 2015 (end of the day) being cut off date fixed for determining voting rights of shareholders, entitled to participate in e-voting platform provided by CDSL. Shareholders, who do not have e-voting facility may cast their vote by using the enclosed Ballot Form and sending it by Post, to the Scrutiniser, so as to reach him, not later than 15th December, 2015. (Please refer to the instructions printed on the reverse of the Ballot Form). Accordingly, a shareholder may exercise his/her vote by electronic means and the Company may pass any resolution by electronic voting system in accordance with the above provisions. The facility for voting through ballot paper will also be available at the meeting and the shareholders attending the meeting, who have not already cast their votes by e-voting or by post shall be able to exercise their right at the meeting through ballot paper. Shareholders who have cast their votes by e-voting prior to the meeting may attend the meeting but shall not be entitled to cast their votes again.
- (b) The e-voting period starts at 9.30 A M on Sunday, the 13th December, 2015 and ends at 5.00 pm on Tuesday, the 15th December, 2015. During this period, the shareholders holding shares either in physical form or in dematerialized form as on the cut off date viz Wednesday, the 9th December, 2015, may cast their votes electronically. The e-voting module shall be disabled by CDSL for e-voting thereafter, once the vote on a resolution is cast by the shareholder, he/she will not be allowed to change it subsequently.

Voting at the Annual General Meeting

Voting by poll will be made available at the venue of the Annual General Meeting to enable the shareholders to vote. Shareholders who have already exercised their votes through remote e-voting / or by post will not be eligible to vote again in the Annual General Meeting.

Instructions for the shareholders voting electronically are as under:

In case of shareholders receiving mail :

- (i) Log on to the e-voting website www.evotingindia.com during the voting period
- (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. Shareholders 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 shareholders 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>* Shareholders who have not updated their PAN with the Company / Depository Participant are requested to use the first two letters of their name and the 8 digits of the Sequence Number printed on the Attendance Slip cum Proxy Form in the PAN field.</p>
Date of Birth	<p>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.</p>
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. 9th December, 2015 in the Dividend Bank details field.</p>



- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Shareholders holding shares in physical form will then reach directly the Company selection screen. However, shareholders 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 shareholders 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 INDSIL HYDRO POWER AND MANGANESE LIMITED.
- (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 to Institutional shareholders
 - 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, they have to create an user ID which would enable them to link the resolutions 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.

In case of the shareholders receiving physical copy

- A. Please follow steps from Sl. No. (i) to Sl.No. (xvii)
- B. 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 or you can contact Sri S Mahadevan, Company Secretary, Indsil Hydro Power and Manganese Ltd at 0422-4522922 or mail to email ID mahadevan@indsil.com



- C. i) A copy of this notice has been placed on the website of the Company and the website of CDSL.
- ii) The scrutinizer, after scrutinizing the votes cast at the meeting (Polling by ballot) through remote e-voting and through ballot forms received by post will, not later than two days of conclusion of the Annual General Meeting, make a consolidated scrutinizer's report and submit the same to the Executive Vice - Chairman or Managing Director.
- iii) The results declared along with the consolidated Scrutinizer's Report shall be placed on the Company's website www.indsil.com and on the website of CDSL and shall simultaneously be communicated to the Stock Exchange(s).

Other Instructions :

- i. The voting rights of shareholders shall be in proportion to their shares in the paid up equity share capital of the Company as on 9th December, 2015
- ii. Sri. C.V.Madhusudhanan, B.Sc., BL., FCS., Partner (Membership No. FCS 5367, CP 4408) or failing him Dr. K.S. Ravichandran, M.Com, LLB., FCS., Ph.D Partner (Membership No. FCS 3675, CP 2160), KSR & Co, Company Secretaries LLP, 101 "Indus Chambers", Government Arts College Road, Coimbatore 641 018 has been appointed as the Scrutiniser to scrutinize the e-voting process / ballot forms in a fair and transparent manner.

Place : Coimbatore
Date : 2nd November, 2015

By Order of the Board
Sd/-
S.MAHADEVAN
Company Secretary.
Membership No. : 6508

**STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013****ITEM NO. 6**

Sri. B. Venkateswar, Cost Accountant in Practice, Coimbatore was appointed as Cost Auditor of the Company to conduct the Cost Audit of the Company for the financial years 2014-15 and 2015-16 at a remuneration of ₹ 18,000 per annum plus service tax and out of pocket expenses. The appointment was recommended by the Audit Committee to the Board of Directors and subsequently, was considered and approved by the Board of Directors of the Company at its meeting held on 13th November, 2014 and 2nd November, 2015 respectively.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditor is required to be ratified by the shareholders of the Company.

The Board of Directors of your Company recommend the proposed ordinary resolution concerning ratification of remuneration payable to the Cost Auditor Sri. B. Venkateswar, Cost Accountant for approval of the shareholders.

None of the Directors/Key Managerial Personnel (KMPs) of the Company/their relatives is/are, in any way, concerned or interested, financially or otherwise, in this resolution.

ITEM NO. 7**RELATED PARTY TRANSACTIONS**

Related Party Transactions that were entered into by the Company do not require any compliance under sub-section (1) of Section 188 of the Act read with relevant Rules for the simple reason that they are in the ordinary course of business and also on arms length basis.

Clause 49 of the Listing Agreement provides that material related party transactions require approval of shareholders as well. The detailed terms and conditions contained in the Listing Agreement entered into by the Company with Bombay Stock Exchange is proposed to be replaced by Securities and Exchange Board of India [SEBI] (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Regulations) with effect from 1st December, 2015. Under the Regulations, "material" related party transactions require approval of the shareholders by way of an ordinary resolution duly passed at a general meeting of the Company. Materiality is decided on the basis of transactions with a related party exceeding 10% of the annual consolidated turnover as at the end of financial year 2014-15 which ended on 30th June, 2015.

Particulars of all these transactions have been disclosed in the financial statements and recorded in the register of contracts and have been previously approved by the Audit Committee as well. The actual value of these transactions in a financial year may vary depending on business achieved by the Company and is directly proportional to the business.

Transactions entered into with Indsil Energy and Electrochemicals Private Limited (IEEL) were not material in the financial year ended 30th June, 2015. The resolution in this respect seeks approval of the shareholders for the transactions specified therein already entered into for the financial year 2014-15 in respect of Sree Mahalakshmi Smelters Private Limited (SMS) and proposed to be entered into for the financial year 2015-16, in respect of IEEL and SMS respectively.

Directors of the Company have no personal pecuniary interest in these transactions. Shareholders may please note that the Regulations have disentitled all related party shareholders from exercising their voting rights in relation to this resolution. The Board recommends the passing of the resolution as stated in the Notice.

Place : Coimbatore
Date : 2nd November, 2015

By Order of the Board
Sd/-
S.MAHADEVAN
Company Secretary.
Membership No. : 6508



Pursuant to Clause 49(VIII) (E) of the Listing Agreement, the details of the Directors seeking re-appointment at the forthcoming Annual General Meeting are provided as under :
(Annexure to item nos. 3,4 and 8 of the Notice in detail)

Name	Smt. D Pushpa Varadarajan	Sri S Inderchand
DIN	00035787	00035907
Date of Birth	03.02.1948	30.06.1947
Date of Appointment	30.08.1990	30.08.1990
Qualification	B.A Hons., B.Ed.,	B.Com
Area of experience	Smt. D Pushpa Varadarajan, is the wife of Sri S N Varadarajan, Executive Vice - Chairman and she is the first Director of the Company since its inception. She is also the member of Stake holders Relationship Committee and Share Transfer Committee.	Sri S.Inderchand is a reputed businessman of Coimbatore region with considerable contacts among business circles. He is actively involved in the Chamber of Commerce and Industry of Coimbatore and served as Treasurer for 4 years. He is also a Trustee of Sri Bhagwan Mahaveer Jain Educational & Cultural Society and President of Marudhar Kesari Shiksha Samiti. He joined the Board of the Company on 30.08.1990.
Disclosure of relationships between Directors inter-se	Related to Sri S. N. Varadarajan, Executive Vice-Chairman and Sri Vinod Narsiman, Managing Director	No relationship between Directors inter-se
List of Directorships held in other Indian Companies	1) Sunmet Holdings India Pvt. Ltd 2) SNV Investments Pvt. Ltd 3) Indsil Energy and Electrochemicals Pvt Ltd 4) Indsil Power Company Pvt. Ltd. 5) Sun Metals and Alloys Pvt. Ltd. 6) SNV Real Estate Pvt. Ltd. 7) Indsil Agrocarb Pvt Ltd. 8) SNV Holdings Pvt. Ltd 9) Crosimn Agencies Pvt Ltd	1) Shree Sairam Chit Funds (Madras) Pvt. Ltd 2) Shree Sarathy Hire Purchase and Finance Pvt. Ltd 3) ASM Estate & Developers Pvt. Ltd 4) Valley View Projects Pvt. Ltd
Number of Membership in other Committees	Member Share Transfer Committee Stakeholders Relationship Committee	Chairman Share Transfer Committee Stakeholders Relationship Committee
Number of Shares held in the Company	530208	144630

ANNOUNCEMENT OF RESULT OF E-VOTING / VOTING BY BALLOT

The result of remote e-voting and voting by Ballot at the Annual General Meeting will be announced at the Registered Office of the Company by the Executive Vice-Chairman or Managing Director of the Company or by a person authorized by him within 2 days of conclusion of the Annual General Meeting.

A copy of the same will be posted in the Company's website www.indsil.com and a copy will be forwarded to Bombay Stock Exchange where the Company's shares are listed.

Place : Coimbatore
Date : 2nd November, 2015

By Order of the Board
Sd/-
S.MAHADEVAN
Company Secretary.
Membership No. : 6508

BOARD OF DIRECTORS' REPORT TO SHAREHOLDERS

Dear Shareholders,

The Board of Directors of your Company are pleased to present the 25th Annual Report on the business of the Company along with the Audited Financial Statements of the Company for the year ended 30th June, 2015.

THE FINANCIAL PERFORMANCE

During the period under review, the Company has achieved, on standalone basis, revenue of ₹ 12,344 lakhs and net profit of ₹1,215 lakhs. During the same period, the Company, on consolidated basis, has achieved revenue of ₹ 24,296 lakhs and net profit of ₹ 659 lakhs.

FINANCIAL RESULTS :

A. STANDALONE

The Standalone performance for the financial year ended 30th June, 2015 is as under:

The Financial Summary

₹ in Lakhs

Sl. No.	Particulars	Current Year 2014-15	Previous Year 2013-14
1.	Revenue from Operations	12344	12404
2.	Operating Expenses	(10416)	(10900)
3.	Gross Profit	1928	1504
4.	Depreciation	(427)	(398)
5.	Profit Before Tax	1501	1106
6.	Provision for Tax	(286)	(20)
7.	Net Profit after Tax	1215	1086
8.	Dividend	(191)	(191)
9.	Tax on Dividend	38*	(38)
10.	Carried to Profit & Loss A/c	1062	857

* The tax on dividend was provided in the year 2013-14, the same is reversed and this amount is set-off against tax on dividend due to dividend received from foreign subsidiary.(viz) Indsil Hydro Global (FZE). This amount of ₹38,12,449 is transferred back to surplus account.

B. CONSOLIDATED

The consolidated performance for the Financial Year ended 30th June, 2015 is as under:

The Financial Summary

₹ in Lakhs

Sl. No.	Particulars	Current Year 2014-15	Previous Year 2013-14
1.	Revenue from Operations	24296	15848
2.	Operating Expenses	(22811)	(14744)
3.	Gross Profit	1485	1104
4.	Depreciation	(931)	(701)
5.	Profit Before Tax	554	403
6.	Provision for Tax	105	105
7.	Net Profit after Tax	659	508
8.	Dividend	(191)	(191)
9.	Tax on Dividend	38*	(38)
10.	Carried to Profit & Loss A/c	506	279

* The tax on dividend was provided in the year 2013-14, the same is reversed and this amount is set-off against tax on dividend due to dividend received from foreign subsidiary.(viz) Indsil Hydro Global (FZE). This amount of ₹38,12,449 is transferred back to surplus account.

DIVIDEND & RESERVES

The Board recommends a dividend of ₹ 1.20 per equity shares of ₹ 10 per share (12%) on the equity share capital of ₹ 15,88,67,920/- for the financial year ended 30th June, 2015 aggregating ₹ 1,90,64,150/-. The total dividend payout works out to 15.69% of the net profit of the Standalone results. The dividend on equity shares is subject to the approval of the shareholders in the Annual General Meeting. The dividend, if approved, will be payable to those shareholders whose names appear in the Register of Members as on 9th December, 2015, the date fixed for the purpose.

In terms of the Companies Act, any unclaimed or unpaid dividend relating to the financial year 2007-08, is due for transfer on 11.01.2016 to the Investor Education and Protection Fund established by the Central Government.

The Company does not propose to transfer any amount to the General Reserves for the financial year ended 30th June, 2015.

STATE OF AFFAIRS

OPERATIONS :

During the year under review, the Company has achieved a turnover of ₹ 12344 Lakhs (2013-14 : ₹ 12404 Lakhs) resulting in a profit before tax of ₹ 1501 Lakhs before tax for the current year (2013-14 : ₹ 1106 Lakhs).

The increase in profit is due to the decent performance of the Hydro Electric Power division of the Company which produced 50.53 million units of electricity during the year under review as against 38.23 million units for the previous year. Thus, your Company could manage a reasonable financial performance, though the Ferro Alloy division of your Company could not perform as expected during the year as a result of your Company unable to cope up with the sluggish market conditions.

Generally, the stainless steel industry globally went through a prolonged phase of demand slow down and still such situation continues.

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 shareholders are aware, your Company is a registered Renewable Energy (RE) generator under the new REC mechanism promulgated by the Central Government. This status entitles the Hydro Power Project (HPP) of your Company 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 ₹ 2,58,43,500/- being the sale proceeds of 17229 REC units. As on date, your Company has RECs for a total value of ₹ 13,78,60,137/-.

It is expected that the scope for demand for RECs would improve 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 FERROCHROME LLC

As the shareholders are aware, the ferro-chrome manufacturing operations of the Company's Joint Venture Al-Tamman Indsil Ferrochrome LLC in Sultanate of Oman commenced full scale commercial production from April, 2014 onwards. The Joint Venture, has been performing reasonably well during the year under review and it is expected, barring unforeseen circumstances, your Company's financial parameters will improve substantially when the Joint Venture declares dividends. Meanwhile, your Company has started receiving returns by way of dividend from its Wholly Owned Subsidiary viz., Indsil Hydro Global FZE, Sharjah Airport International Freezone, after it receives marketing fee from the JV for every ton of Ferrochrome sold by the JV.

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

As the shareholders are aware, 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. A huge hike in power tariff during the period under review resulting in under-utilisation of operations making it difficult for the Subsidiary to operate its plant at its capacity.

This, in turn, coupled with adverse market conditions, caused severe constraints resulting in the Subsidiary suffering huge financial losses. As a result, the management was constrained to declare temporary suspension of its plant with effect from 22nd May, 2015.

INDSIL HYDRO GLOBAL FZE, SHARJAH AIRPORT INTERNATIONAL FREEZONE (WHOLLY OWNED SUBSIDIARY)

The consolidated financial results incorporating the financial statement of the Wholly Owned Subsidiary, Indsil Hydro Global FZE is attached to the Annual Report as required under the Accounting Standards and Listing Agreement.

DISCLOSURE ON SUBSIDIARY/JOINT VENTURE

As per the provisions of Section 129 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, a separate statement containing the salient features of the Subsidiary Company / Joint Venture is attached (Form AOC-1) to this Report along with the financials (Annexure-1).

CONSOLIDATED FINANCIAL STATEMENTS:

The consolidated financial statements by consolidating the accounts of the Company, Sree Mahalakshmi Smelters Private Limited (Subsidiary of the Company) Al-Tamman Indsil Ferro Chrome LLC, Sultanate of Oman (the JV) and Indsil Hydro Global FZE, Sharjah Airport International Freezone (Wholly Owned Subsidiary of the Company) under the Accounting Standards 21 issued by the Institute of Chartered Accounts of India forms part of this Annual Report.

CHANGE OF FINANCIAL YEAR

It is mandatory that every Company shall, within the period of two years from 1st April, 2014 the date of commencement of the Act, should align its financial year end to 31st March as per the provisions of Section 2 (41) of the Companies Act, 2013.

Accordingly, the Board of Directors at its meeting held on 17th August, 2015 approved alignment of financial year of the Company to 31st March every year. The same was also informed to Bombay Stock Exchange Ltd and requisite Form MGT-14 was filed with the Ministry of Corporate Affairs.

Therefore, the next financial year of the Company will be for a period of 9 months from 1st July, 2015 to 31st March, 2016 and thereafter each financial year will be from 1st April to 31st March.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

Details as per the provisions of Section 186 of the Companies Act, 2013 are given under Notes to Financial Statements.

PARTICULARS OF CONTRACTS WITH RELATED PARTY

All the transactions of the Company with related parties are at arms length and have taken place in the ordinary course of business. Provisions of Section 188 of the Companies Act, 2013 is not applicable.

Form No. AOC - 2 pursuant to Clause (h) of Sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014 is attached as Annexure-2.

MATTERS AS MAY BE PRESCRIBED

As per Rule 8(5) of the Companies Accounts Rules, 2014 the following additional information are provided :

- | | |
|---|--|
| 1. The financial summary or highlights | The financial highlights including state of affairs of the Company, Dividend and Reserves is provided in the Board of Directors Report to the shareholders forming part of this Annual Report. |
| 2. The change in the nature of business, if any | There is no change in the nature of business. |



- | | |
|---|---|
| 3. The details of Directors or Key Managerial Personnel who were appointed or have resigned during the year | Sri S. Mahadevan and Sri R.Murali were appointed as Company Secretary and Chief Financial Officer, respectively on 13.11.2014 |
| 4. a) The names of Companies which are Subsidiaries, Joint Venture | <p>Sree Mahalakshmi Smelters Private Limited
- Subsidiary</p> <p>Indsil Hydro Global FZE,
Sharjah Airport International Freezone (SAIF)
- Wholly Owned Subsidiary</p> <p>Al-Tamman Indsil Ferrochrome LLC, Sultanate of Oman
- Joint Venture</p> |
| b) Any of the above have become ceased during the year | No |
| 5. The details of deposits under Chapter V of the Act | The Company has not accepted deposits |
| 6. The details of deposits which are in Compliance with requirement of Chapter V of the Act | Not Applicable |
| 7. The details of significant and material orders passed by the Regulators / Courts or Tribunals impacting the going concern status and Company's operation | Nil |
| 8. The details of adequacy of internal controls with reference to the financial statements | Systems and procedures are in place to detect and protect the organizational resources both physical and intangibles. The financial statements are prepared in accordance with the Accounting Standards issued by the ICAI. |

DEPRECIATION

Depreciation on fixed assets is provided on Straight Line Method in accordance with the rates specified under Schedule II of the Companies Act, 2013, except the useful life of the Plant and Machinery based on the technical evaluation. As per the technical evaluation such useful life has been taken as 20 years.

EXTRACTS OF ANNUAL RETURN :

As per the requirements of provisions of the Companies Act, 2013, the Extract of the Annual Return in the prescribed Form MGT-9 is annexed to this Report (Annexure-3).

COMMITTEES OF THE BOARD OF DIRECTORS :

A. AUDIT COMMITTEE

An Audit Committee has been constituted by the Board of Directors of the Company to handle the activities as set out in Clause 49 of the Listing Agreement with the Stock Exchange read with Section 177 of the Companies Act, 2013.

COMPOSITION OF AUDIT COMMITTEE:

The Board constituted the Audit Committee which comprises of Dr. A K Sreedharan as Chairman, Dr. T C P Nambiar and Sri Vinod Narsiman as Members. All the recommendations of the Audit Committee were accepted by the Board. More details on the Committee like terms of reference are given in the Corporate Governance Report.

B. SHARE TRANSFER COMMITTEE

A Share Transfer Committee was constituted by the Board of Directors of the Company to expedite the process of Share Transfers in respect of share held in physical form and to take on record the volume of shares transacted in the Demat segment periodically. The Board constituted the Share Transfer Committee which consists of Sri S. Inderchand as Chairman and Smt D.Pushpa Varadarajan as Member.

C. STAKEHOLDERS' RELATIONSHIP COMMITTEE

This Committee considers and resolves the grievances of the shareholders of the Company. The said Committee comprises of Sri S. Inderchand as Chairman and Smt. D. Pushpa Varadarajan as Member. Earlier the Committee was known as Shareholders Grievance Committee and subsequently changed to "Stakeholders Relationship Committee" in the meeting of the Board of Directors held on 17/8/2015.

D. COMPENSATION COMMITTEE

A Compensation Committee has been constituted to administer Indsil Hydro Power and Manganese Limited Employee Stock Option Scheme. The Committee consists of Dr. A.K. Sreedharan as Chairman and Sri. Vinod Narsiman and Dr. T.C.P. Nambiar as Members.

E. CORPORATE SOCIAL RESPONSIBILITY

The objective of Corporate Social Responsibility (CSR) Committee is to improve the quality of life of the communities through long-term value creation for all stakeholders. Towards achieving this, the Company has commenced its CSR initiatives. The Company continues to remain focused on improving the quality of life and encouraging communities through health, education, old age homes and drinking water facilities in and around the area where the plants of the Company are situated.

CSR Committee consisting of Directors namely Sri S.N. Varadarajan, Executive Vice-Chairman as Chairman of the Committee and Sri Vinod Narsiman, Managing Director and Dr. A.K. Sreedharan, Independent Director as Members of the Committee was constituted by the Board of Directors of the Company.

The preference for spending CSR funds has been in and around the area where the plant is situated. However, the Company could not identify the Agencies / Trusts suitable in line with CSR Policy of the Company for spending the entire amount. The Company would endeavour to spend the entire CSR amount in the current year.

Expenditure of 2% of average net profit could not be fulfilled totally due to the Company not being able to identify suitable local area projects for CSR activities. Thus there was a short fall of ₹ 4,91,276/-. A mechanism to execute all identified local area projects in future is being put in place and will be monitored by CSR Committee.

CSR Policy was adopted by the Board of Directors on the recommendation of CSR Committee. Report on CSR as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014 is annexed to this Annual Report (Annexure-4).

F. NOMINATION & REMUNERATION COMMITTEE

Nomination and Remuneration Committee was framed by the Board of Directors as per the requirements of the provisions of the Companies Act, 2013. This Committee consists of:

- 1) Dr. A.K. Sreedharan, Chairman (Non-Executive, Independent)
- 2) Sri B. Balchand, Member (Non-Executive, Non-Independent)
- 3) Dr. T.C.P. Nambiar, Member (Non-Executive, Independent)

The said Committee has been empowered and authorized to exercise the powers as entrusted under the provisions of Section 178 of the Companies Act, 2013. The Company has a policy on Directors' appointment and remuneration including criteria for determining the positive attributes, independence of a Director and other matters provided under Section 178(3) of the Act. Nomination and Remuneration Policy was adopted by the Board of Directors. The concerned Policy is annexed to this Report (Annexure-5).

G. RISK MANAGEMENT COMMITTEE

The Company follows a risk appraisal mitigation and management process. As per the requirements of Clause 49 of the Listing Agreement, the Company has constituted a Risk Management Committee. The Committee has formulated a Risk Management Policy for Risk Management. The Risk Management Policy is periodically reviewed for improvement.

The Risk Management Committee duly constituted by the Board of Directors consists of:

- 1) Sri S.N. Varadarajan, Executive Vice-Chairman as Chairman of the Committee
- 2) Sri Vinod Narsiman, Managing Director as Member of the Committee
- 3) Dr. A.K. Sreedharan, Director as Member of Committee

H. POLICY ON PREVENTION OF SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

The Company has adopted policy on Prevention of Sexual Harassment of Women at Workplace in accordance with the Sexual Harassment of women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

A Committee in this regard has been constituted in accordance with Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

During the financial year ended 30th June, 2015, the Company has not received any complaints pertaining to Sexual Harassment of women.

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.

WHISTLE BLOWER POLICY

A Whistle Blower Policy was adopted by the Board of Directors in its meeting held on 17 August, 2015. The details of Whistle Blower Policy is published in the Company's website www.indsil.com.

POLICY ON MATERIAL SUBSIDIARY

The Board of Directors adopted a policy on Material Subsidiary and the same is published in the Company's website www.indsil.com.

EVALUATION OF BOARD'S PERFORMANCE

On the advice of the Board of Directors, the Nomination and Remuneration Committee consisting of three Directors of the Company formulated the criteria for the evaluation of the performance of the Board of Directors & its Committees, Independent Directors, Non-Independent Directors, Executive Director, Chairman and Managing Director. According to the evaluation, the Independent Directors of the Company have also convened a separate meeting for this purpose.

All the Board of Directors are aware of the performance and are familiar with the business of the Company.

STATEMENT OF PARTICULARS OF APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL:

Statement pursuant to Section 134 of the Companies Act, 2013 read with the Companies (Particulars of Employees Rule, 1975 and section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this Annual Report (Annexure-6).

RESIGNATION OF DIRECTOR & REAPPOINTMENT OF INDEPENDENT DIRECTOR

There was no resignation and re-appointment of Independent Director(s) during the year under review.

MEETING OF INDEPENDENT DIRECTORS

Pursuant to Clause 49 (II)(6) of the Listing Agreement, a meeting of the Independent Directors to review the performance of the Chairman and that of the Board was conducted on 26th June, 2015 and all the Independent Directors attended this meeting.

AUDITORS:

The Board of Directors of the Company recommended M/s Raja & Raman, (Firm's Registration No.003382S) Chartered Accountants, 1055/11, First Floor, Gowtham Centre, Avanashi Road, Coimbatore 641018, 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 2015-16 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.

The Auditors have consented and confirmed their eligibility and desire to continue as Statutory Auditors of the Company.

INTERNAL AUDITOR

Ms. K.R.Divya, (Membership No. 228896) Chartered Accountant, No.37, P.M.Samy Colony, 1st Street, R.S.Puram, Coimbatore 641 002 was appointed as Internal Auditor pursuant to the provisions of Section 138 of the Companies Act, 2013 by the Board of Directors of the Company to conduct the internal audit functions.

COST AUDITOR

Pursuant to Section 148 of the Companies Act, 2013 Sri B.Venkateswar, Cost Accountant was appointed by the Board of Directors of the Company for conducting audit of the Cost Account Records of the Company for the year 2015-16. He was the Cost Auditor of the Company for the previous year 2014-15 as well.

SECRETARIAL AUDITOR

KSR & Co, Company Secretaries LLP, a firm of Company Secretaries is the Secretarial Auditors of the Company. The Secretarial Audit Report submitted by them forms part of this Report (Annexure-7).

AUDITOR'S REPORT & ACCOUNTING POLICIES & SECRETARIAL AUDIT REPORT

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

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

The Reports of the Statutory Auditors and the Secretarial Audit Report (both appearing elsewhere in this Annual Report) are without any adverse comments.

EMPLOYEE STOCK OPTION SCHEME :

Pursuant to the SEBI (Share Based Employee Benefits) Regulations, 2014 (the ESOP Regulations) issued by SEBI on October 28, 2014, the Company has obtained approval of the shareholders through Postal Ballot replacing the INDSIL ESOS 2008 with "INDSIL ESOS 2015" in conformity with such regulations and accordingly executed Variation Deed of Trust with the concerned Registering Authority in Coimbatore. The results of the Postal Ballot passing the resolution to this effect by the shareholders were furnished to the Bombay Stock Exchange accordingly and such results were published in the newspapers and website of the Company www.indsil.com.

A copy of the INDSIL ESOS 2015 and the registered Variation Deed was furnished to the Bombay Stock Exchange for the Exchange to take the same on record. A corporate announcement to this effect has been published in the Bombay Stock Exchange website.

A disclosure with regard to ESOS of the Company as on 30th June, 2015 is covered in the Corporate Governance Report.

The Company has already obtained a certificate from Raja & Raman, Chartered Accountants and Statutory Auditors with respect to the implementation of the Company's ESOS. A copy of the same is also be available for inspection during the working days of the Registered Office of the Company between 9.30 am to 5.30 pm.

CORPORATE WEBSITE:

The website of the 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 financial performance of the Company, Policies and other matters.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of Independence as applicable under the provisions of Section 149(6) of the Companies Act, 2013 read with relevant rules and Clause 49 of the Listing Agreement.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

A familiarization programme for Independent Directors was conducted on 11th May, 2015.

INSURANCE:

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

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(s) is enclosed to this Annual Report as (Annexure-8).

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors based on the representations received from the Management and pursuant to Sub-section 3 (c) of Section 134 of the Companies Act, 2013 hereby confirm that :

- (i) in the preparation of Annual Accounts, the applicable accounting standards have been followed and wherever required, proper explanation relating to material departures have been given
- (ii) have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that year:
- (iii) have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and deducting frauds and other irregularities.
- (iv) have prepared the Annual Accounts on a going concern basis:
- (v) have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively: and
- (vi) have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

CODE OF CONDUCT

The Board of Directors approved a code of conduct which is applicable to the members of the Board and all designated employees in the course of day to day business operations of the Company. The code is posted in the Company's website www.indsil.com.

All the Board members and the Senior Management Personnel have confirmed compliance with the code.

PREVENTION OF INSIDER TRADING

The Company adopted a Code of Conduct for Prevention of Insider Trading in order to regulate the trading in Securities by the Directors and designated persons of the Company as per SEBI (Prohibition of Insider Trading Regulations, 2015).

CORPORATE GOVERNANCE

As per Clause 49 of the Listing Agreement with the Stock Exchange, a separate section on Corporate Governance Practices followed together with a certificate from the Company's Secretarial Auditors KSR & Co, Company Secretaries LLP, Practising Company Secretaries, Coimbatore confirming compliance (provided elsewhere in the Annual Report) form an integral part of the Directors' 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.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information with respect to conservation of energy, technology absorption, foreign exchange earnings and outgo pursuant to Section 134 (3) (m) of the Act read with the Companies (Accounts) Rules 2014 is enclosed to this report (Annexure-9).

MATERIAL CHANGES AND COMMITMENTS

There are no material changes and commitments in the business operations of the Company for the financial year ended 30th June, 2015 upto the date of signing of the Director's Report.

NUMBER OF BOARD MEETINGS:

The Board of Directors met five times in the year 2014-15. The details of the Board Meetings and the attendance of the Directors are provided in the Corporate Governance Report.

LISTING FEE

Listing fee for the financial year 2015-16 has been paid to Bombay Stock Exchange where the shares of the Company are listed.

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.

ACKNOWLEDGEMENTS

Your Directors are extremely thankful to State Bank of Travancore, Export Import Bank of India, IDBI Bank Limited, Yes Bank Limited, Standard Chartered Bank and The Federal Bank Limited 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.

For and on behalf of the Board

Place : Coimbatore
Date : 2nd November, 2015

Sd/-
VINOD NARSIMAN
Managing Director
DIN: 00035746

Sd/-
S.N. VARADARAJAN
Executive Vice-Chairman
DIN: 00035693



ANNEXURE - 1

Form AOC-I

(Pursuant to first proviso to sub-section (3) of Section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiary company/joint venture

Part "A": Subsidiary

(Information in respect of each subsidiary to be presented with amounts in ₹)

Sl. No.	Name and Place of the subsidiary	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency and Exchange rate as on the last date of the relevant Financial Year in the case of foreign subsidiaries	Share capital	Reserves & surplus	Total assets	Total Liabilities	Investments	Turnover	Profit before taxation	Provision for taxation	Profit after taxation	Proposed Dividend	% of shareholding
1		3	4	5	6	7	8	9	10	11	12	13	14	15
1	Sree Mahalakshmi Smelters Private Limited Chiraham, Andhra Pradesh	April '14 to March '15	INR Exchange rate not applicable	4,29,18,570	(10,89,19,058)	40,42,57,026	29,53,37,998	-	39,45,35,701	(5,38,46,805)	3,91,25,441	(1,47,21,364)	-	51%
2	Indsil Hydro Global (FZE) Sharjah Airport International Freezone (SAIF) UAE	May '14 to April '15	INR 17,3094 Per AED	25,96,410	55,54,033	1,08,08,993	26,58,551	-	3,42,14,747	3,27,98,301	-	3,27,98,301	2,54,13,380	100%

Part "B": Joint Venture

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Joint Venture

(Information in respect of each subsidiary to be presented with amounts in ₹)

Name of Joint Venture	Latest audited Balance Sheet Date	Share of Joint Ventures held by the Company on the year ended 30th June, 2015			Description of how there is significant influence	Reason why the joint venture is not consolidated	Net worth attributable to Shareholding as per latest audited Balance Sheet	Profit / Loss for the Year	
		No.	Amount of Investment in Joint Venture	Extend of Holding %				Considered in Consolidation	Not Considered in consolidation*
Al-Tamman Indsil Ferro Chrome LLC Sultanate of Oman	31-Dec-14	1267834	18,03,01,790	26.62%	Based on the percentage of shareholding in the Capital of JV	Consolidated	3,39,45,400	(3,56,84,308)	(9,83,66,435)

* Your Company is holding 26.62% in the Joint Venture. The Consolidation is only applicable for 26.62% and remaining portion is not applicable for Consolidation.

For and on behalf of the Board

Place : Coimbatore
Date : 2nd November, 2015

Sd/- **VINOD NARSIMAN**
Managing Director
DIN: 00035746

Sd/- **S.N. VARADARAJAN**
Executive Vice-Chairman
DIN: 00035693

ANNEXURE - 2

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

Form No. AOC-2

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

Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. There are no contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 which are not at arm's length basis.
2. Details of contracts or arrangements or transactions at arm's length and in the ordinary course of business basis:

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements / transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board, if any	Amount paid as advances, if any ₹
Sree Mahalakshmi Smelters Private Limited - Subsidiary Company	Sale/ Purchase of raw materials and finished goods	1st July, 2014 to 30th June, 2015	Sale/ Purchase of raw materials and purchase of finished goods for an aggregate value of ₹ 24.5 Crores.	Preapproval by the Audit Committee in its meeting held on 1.7.2014 and taken on record by the Board in its meeting held on 27th August, 2014. No approval of the Board under Section 188 arises as the transactions are in ordinary course of business and at arm's length basis.	Nil

For and on behalf of the Board

Place : Coimbatore
Date : 2nd November, 2015

Sd/-
VINOD NARSIMAN
Managing Director
DIN: 00035746

Sd/-
S.N. VARADARAJAN
Executive Vice-Chairman
DIN: 00035693

FORM No. MGT-9
EXTRACT OF ANNUAL RETURN
for the financial year ended on 30th June, 2015
[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12 (1) of
the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i	CIN	L27101TZ1990PLC002849
ii	Registration Date	30.08.1990
iii	Name of the Company	Indsil Hydro Power and Manganese Limited
iv	Category / Sub-Category of the Company	Company Limited by Shares
v	Address of the Registered Office and contact details Registered Office :	"Indsil House" Door No:103-107 T V Samy Road (West) R S Puram, Coimbatore 641 002
vi	Whether listed Company	Yes
vii	Name, Address and contact details of Registrar and Transfer Agents, if any	S.K.D.C Consultants Ltd "Kanapathy Towers" 3rd Floor 1391/A-1 Sathy Road Ganapathy, Coimbatore 641 006

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated

Sl. No.	Name and Description of main products / services	NIC Code of the Product / Service	% to total turnover of the Company
1.	Manufacturer of Silico Manganese	72023000	78%
2.	Generation of Electricity (Hydro Power)	Exemption	15%

III. PARTICULARS OF SUBSIDIARIES

Sl. No.	Name and Address of the Company	CIN/GLN	Holding / Subsidiary	% of Shares Held	Applicable Section
1.	Sree Mahalakshmi Smelters Pvt Ltd Merakamudidam Mandalam Garbham-535 102 Andhra Pradesh	U27101AP2008PTC060147	Subsidiary	51%	2(87)
2.	Indsil Hydro Global (FZE) SAIF Lounge, P.O.Box 9049, Sharjah Airport International Free Zone (SAIF) UAE	Not Applicable	Wholly Owned Subsidiary	100%	The Company is registered in Sharjah Airport International Freezone, UAE. Hence not applicable.

IV. SHAREHOLDING PATTERN (Equity Share Capital Break up as Percentage of Total Equity)

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters Group									
(1) Indian									
a) Individual/HUF	3103033	0	3103033	19.532	3103033	0	3103033	19.532	0.00
b) Central Govt/State Govt (s)	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	5532585	0	5532585	34.825	5532585	0	5532585	34.825	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other	0	0	0	0	0	0	0	0.00	0.00
Sub - total (A) (1)	8635618	0	8635618	54.357	8635618	0	8635618	54.357	0.00
(2) Foreign									
a) Individuals (NRI/ Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
b) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
c) Institutions	0	0	0	0.00	0	0	0	0.00	0.00
d) Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Others (Specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub - total (A) (2)	0	0	0	0.00	0	0	0	0.00	0.00
Total shareholding of Promoter Group (A) = (A)(1)+(A)(2)	8635618	0	8635618	54.357	8635618	0	8635618	54.357	0.00
B. Public shareholding									
(1) Institutions									
a) Mutual Funds / UTI	0	3666	3666	0.023	0	3666	3666	0.023	0.00
b) Banks / FI									
c) Central Govt/State Govt (s)	1054166	0	1054166	6.635	1054166	0	1054166	6.635	0.00
d) Venture Capital Funds									
e) Insurance Companies									
f) FIs									
g) Foreign Venture Capital Funds									
h) Any Other (specify)									
FOREIGN PORTFOLIO (CORP.CAT)									
Sub-total (B)(1):-	1054166	3666	1057832	6.658	1054166	3666	1057832	6.658	0.00
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	291164	21028	312192	1.965	307055	21028	328083	2.065	0.100
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	2891299	550509	3441808	21.666	2778547	540067	3318614	20.890	-0.776
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	1883621	16666	1900287	11.961	2023337	0	2023337	12.736	0.775
c) Others (specify)									
Directors & Their Relatives	4300	0	4300	0.027	1800	0	1800	0.011	-0.016
Non Resident Indians	178327	112567	290894	1.831	171582	106069	277651	1.748	-0.083
Clearing Members	40627	0	40627	0.256	28310	0	28310	0.178	-0.078
Hindu Undivided Families	203234	0	203234	1.279	215547	0	215547	1.357	0.078
Sub-total (B)(2)	5492572	700770	6193342	38.985	5526178	667164	6193342	38.985	0.000
Total Public shareholding (B) = (B) (1)+ (B) (2)	6546738	704436	7251174	45.643	6580344	670830	7251174	45.643	0.000
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	15182356	704436	15886792	100.000	15215962	670830	15886792	100.000	0.000

(ii) Share Holding of Promoters' Group

Sl No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of shares	% of total shares of the Company	% of shares pledged encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged encumbered to total shares	
1	SRI ASHOK KUMAR B	33333	0.210	0.000	33333	0.210	0.000	0.000
2	SRI BALCHAND B	33333	0.210	0.000	33333	0.210	0.000	0.000
3	M/S SUNMET HOLDINGS INDIA PVT LTD	5518252	34.735	0.000	5518252	34.735	0.000	0.000
4	SRI INDER CHAND KOTHARI. S	144630	0.910	0.000	144630	0.910	0.000	0.000
5	SRI MAHAVEERCHAND B	41666	0.262	0.000	41666	0.262	0.000	0.000
6	SRI PARASMAL B	41666	0.262	0.000	41666	0.262	0.000	0.000
7	M/S SNV HOLDINGS PRIVATE LIMITED	14333	0.090	0.000	14333	0.090	0.000	0.000
8	SRI BALCHAND B	33333	0.210	0.000	33333	0.210	0.000	0.000
9	SRI DEEP PRAKASH M	6184	0.039	0.000	6184	0.039	0.000	0.000
10	SRI AJIT B	12083	0.076	0.000	12083	0.076	0.000	0.000
11	SRI PANKAJ B	8333	0.052	0.000	8333	0.052	0.000	0.000
12	SRI VASANT B	25000	0.157	0.000	25000	0.157	0.000	0.000
13	SRI ASHOK B	71710	0.451	0.000	71710	0.451	0.000	0.000
14	SRI S N VARADARAJAN *	1090208	6.862	0.000	1090208	6.862	0.000	0.000
15	SRI VISHWAA NARSIMAN	5436	0.034	0.000	5436	0.034	0.000	0.000
16	SRI VINOD NARSIMAN *	173220	1.090	0.000	173220	1.090	0.000	0.000
17	SMT JAYASHREE VINOD	183385	1.154	0.000	183385	1.154	0.000	0.000
18	SRI K S MAHADEVAN	93000	0.585	0.000	93000	0.585	0.000	0.000
19	SMT M PRIYA	55263	0.348	0.000	55263	0.348	0.000	0.000
20	SMT M KALAISELVI	78469	0.494	0.000	78469	0.494	0.000	0.000
21	SRI PAVAN KUMAR I	105911	0.667	0.000	105911	0.667	0.000	0.000
22	SRI MOHIT P	14794	0.093	0.000	14794	0.093	0.000	0.000
23	SRI P RISHAB KUMAR	15870	0.100	0.000	15870	0.100	0.000	0.000
24	SMT D PUSHPA VARADARAJAN	530208	3.337	0.000	530208	3.337	0.000	0.000
25	SMT SHARMILA M	136068	0.856	0.000	136068	0.856	0.000	0.000
26	SRI PRASANNA KUMAR I	169930	1.070	0.000	169930	1.070	0.000	0.000
TOTAL		8635618	54.354	0.000	8635618	54.354	0.000	0.000

* Sri S.N. Varadarajan and Sri Vinod Narsiman are the Promoters.

(iii) Change in Promoters' Group Shareholding (please specify if there is no change)

Sl No.	Shareholder's Name	Shareholding at the beginning of the Year		Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of total shares of the company
-		Nil			

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

SI No.	Particulars	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1	KERALA STATE INDUSTRIAL DEVELOPMENT CORPORATION	1054166	6.635	1054166	6.0635
2	MR ANIL KUMAR GOEL	510000	3.210	610000	3.840
3	MS SEEMA GOEL	250000	1.574	250000	1.574
4	MR TEJENDRA KUMAR	98871	0.622	98871	0.622
5	VIZWISE COMMERCE PRIVATE LIMITED	76463	0.481	0	0.000
6	MS T S JANAKI	64254	0.404	64254	0.404
7	MR AMIT JAIN	40000	0.252	0	0.000
8	MR ROYCHAND CHENRAJ	50433	0.317	28274	0.178
9	MS SHARADA P	41458	0.261	41458	0.261
10	DR RAMESH CHIMANLAL SHAH	40000	0.252	0	0.000
11	MS TRISHLA	0	0.000	84608	0.533
12	MR CHANDER BAJAJ	25508	0.161	44100	0.278
13	MR RAJENDRA KUMAR PUNGALIA	0	0.000	40053	0.252
14	MR YASHPAL SINGH RAJPUT	20000	0.126	36000	0.227

v) Shareholding of Directors and KMP

SI No.	Particulars	Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year				
1	SRI S N VARADARAJAN	1090208	6.862	1090208	6.862
2	SMT D PUSHPA VARADARAJAN	530208	3.337	530208	3.337
3	SRI VINOD NARSIMAN	173220	1.090	173220	1.090
4	SRI INDER CHAND KOTHARI. S	144630	0.910	144630	0.910
5	SRI K S MAHADEVAN	93000	0.585	93000	0.585
6	SRI BALCHAND B	33333	0.210	33333	0.210
7	SRI BALCHAND B	33333	0.210	33333	0.210
8	SRI RAMAKRISHNAN K	4300	0.027	1800	0.011
9	SRI S MAHADEVAN	32174	0.202	32174	0.202

VI. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (₹in lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtednes
Indebtedness at the beginning of the Financial Year				
i. Principal Amount	813.12	-	-	813.12
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	6.52	-	-	6.52
Total (i+ii+iii)	819.64	-	-	819.64
Change in Indebtedness during the financial year				
- Addition	500.00	-	-	500.00
- Reduction	(338.23)	-	-	(338.23)
Net Change	161.77	-	-	161.77
Indebtedness at the end of the Financial Year				
i. Principal Amount	981.41	-	-	981.41
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	11.47	-	-	11.47
Total (i+ii+iii)	992.88	-	-	992.88

VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (₹in lakhs)

Sl No.	Particulars of Remuneration	Sri.S.N.Varadarajan, Executive Vice-Chairman	Sri.Vinod Narsiman Managing Director	Total Amount
1.	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	6.00	6.00	12.00
	(b) Value of perquisites u/s 17(2) Income -tax Act, 1961	0.72	0.44	1.15
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission			
	- As % of profit	41.37	41.65	83.02
	- Others, specify	-	-	-
5.	Others, please specify			
	Total (A)	48.09	48.09	96.17
	Ceiling as per the Act (10% of net profit)	-	-	121.47

B. Remuneration to other Directors:

(₹ in lakhs)

Particulars	Name of Directors				Total Amount (in ₹)
Independent Directors	Dr. A.K. Sreedharan	Dr. T.C.P. Nambiar	Sri. K. Ramakrishnan		
• Fee for attending board/ committee meetings	22,500	17,500	12,500		52,500
• Commission	1,00,000	-	-		1,00,000
• Others, please specify	17,500	8,000	-		25,500
Total (1)	1,40,000	25,500	12,500		1,78,000
Other Non- Executive Directors	Sri.B. Balchand	Sri. S. Inderchand	Smt. D. Pushpa Varadarajan	Sri. K.S. Mahadevan	
• Fee for attending board/ committee meetings	12,500	44,000	52,500	12,500	1,01,500
• Commission	1,00,000	1,00,000	1,00,000	1,00,000	4,00,000
• Others, please specify	10,000	51,000	40,000	17,500	1,38,500
Total (2)	1,22,500	1,95,000	1,92,500	1,30,000	6,40,000
Total= (1+ 2)	2,62,500	2,20,500	2,05,000	1,30,000	8,18,000
Total Managerial Remuneration					8,18,000
Overall Ceiling as per the Act (11% of the net profit)					1,33,61,411

C. Remuneration to Key Managerial Personnel other than MD / WTD / Manager

SL. No.	Particulars of Remuneration	Key Managerial Personnel			Total (in ₹)
		Director	Sri. S. Mahadevan Company Secretary	Sri.R. Murali Chief Financial Officer	
	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income -tax Act, 1961	-	6,67,164	8,73,456	15,40,620
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	87,036	21,600	1,08,636
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-	-	-	-
	Stock Option	-	-	-	-
	Sweat Equity	-	-	-	-
	Commission				
	- as % of profit	-	-	-	-
	- others, specify...	-	-	-	-
	Others, please specify	-	-	-	-
	Total	-	7,54,200	8,95,056	16,49,256



VIII. Penalties / Punishment / Compounding of Offences: Nil

A. Company

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority (RD / NCLT / COURT)	Appeal made, if any (give details)
Penalty Punishment Compounding	Nil				

B. Directors

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority (RD / NCLT / COURT)	Appeal made, if any (give details)
Penalty Punishment Compounding	Nil				

C. Other Officers In Default

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority (RD / NCLT / COURT)	Appeal made, if any (give details)
Penalty Punishment Compounding	Nil				

For and on behalf of the Board

Place : Coimbatore
Date : 2nd November, 2015

Sd/-
VINOD NARSIMAN
Managing Director
DIN: 00035746

Sd/-
S.N. VARADARAJAN
Executive Vice-Chairman
DIN: 00035693

ANNEXURE - 4

Report on Corporate Social Responsibility as per Rule 8 of Companies (Corporate Social Responsibility Policy) Rules, 2014.

1. The Board of Directors at their meeting held on 17th August, 2015 adopted the CSR Policy.
2. Composition of CSR Committee:

S.No.	Name	Designation
1	Sri.S.N.Varadarajan	Chairman
2	Sri.Vinod Narsiman	Member
3	Dr.A.K.Sreedharan	Member

3. Average Net Profit for last three Financial Years: (in ₹)

Particulars	For the Financial Year ended 30th June 2015		
	2013-14	2012-13	2011-12
Net Profit for the Year	10,85,57,176	18,41,985	9,76,50,191
Average Net Profit for the preceding three Financial Years	6,93,49,784		

4. Prescribed CSR expenditure (2% of Average Net Profit): ₹ 13,86,996

5. Details of CSR spent for the Financial Year:

a. Total amount spent for the Financial Year : ₹ 8,95,720

b. Amount unspent, if any: ₹ 4,91,276 (Refer Note No.6 for reason unspent)

c. Manner in which the amount spent during the Financial Year is detailed below:

(In ₹)

SL No.	CSR project or activity identified	Sector in which the projects were covered	Location of the projects / programs undertaken (Dist. & State)	Amount outlay (budget) per project or program	Amount spent on the projects or programs (1.7.2014 to 30.6.2015)	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1	2	3	4	5	6	7	8
1	Mentally Retarded and livelihood project	Health Care	Coimbatore Dist., Tamil Nadu	66,000/-	66,000/-	66,000/-	Direct
2	Providing Infrastructure for school	Drinking Water	Elapully, Palakkad Dist., Kerala	4,78,720/-	4,78,720/-	4,78,720/-	Direct
3	Divine Providence Trust	Health Care	Rajakad, Idukki Dist., Kerala	3,00,000/-	3,00,000/-	3,00,000/-	Direct
4	Socio-Economic & Educational activities to School students	Education	Kuthungal, Idukki Dist., Kerala	51,000/-	50,000/-	50,000/-	Direct
	Total			8,95,720/-	8,95,720/-	8,95,720/-	



6. In case the Company has failed to spend two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report:

Expenditure of 2% of average net profit could not be fulfilled totally due to the Company not being able to identify suitable local area projects for CSR activities. Thus, there was a short fall of ₹ 4,91,276. A mechanism to execute all identified local area projects in future is being put in place and will be monitored by CSR Committee.

7. We hereby confirm that the Implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

For and on behalf of the Board

Place : Coimbatore
Date : 2nd November, 2015

Sd/-
VINOD NARSIMAN
Managing Director
DIN: 00035746

Sd/-
S.N. VARADARAJAN
Executive Vice-Chairman
DIN: 00035693

NOMINATION & REMUNERATION POLICY

Indsil Hydro Power and Manganese Limited (the Company) believes that Human Resource asset is one of the vital factors and plays an important role in achieving the success and sustainability of an organization. The Company believes that committed work force is an invaluable asset for the organization. Keeping these facts in view, the Nomination & Remuneration Policy was adopted by the Board of Directors. The Nomination & Remuneration Policy is mainly to attract competent talents and motivate them. It also maintains in retaining such talents in the competitive market. This inter-alia is a tool to achieve the Company's objectives for good Corporate Governance and sustained long term value creation for stakeholders.

Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement entered into with Stock Exchange, also require the Company to formulate a policy relating to Nomination and Remuneration of Board of Directors, Senior Management and Key Managerial Personnel. The Nomination and Remuneration Committee framed such policies and recommended to the Board of Directors and the same was approved by the Board of Directors of the Company.

DEFINITIONS

1. Act - means the Companies Act, 2013 including schedules annexed thereto and the Rules framed thereunder.
2. Board - means the Board of Directors of the Company.
3. Committee - refers to the Nomination and Remuneration Committee of the Board of Directors.
4. Senior Management - includes executives of the Company occupying the position of General Manager and above, but below Board.
5. Key Managerial Personnel includes :
 - Managing Director or Manager
 - Whole-time Director including Executive Vice-Chairman
 - Company Secretary
 - Chief Financial Officer
6. Such other Officers as may be prescribed by the Act.

APPOINTMENT CRITERIA

The Committee identifies persons with rich experience and recommends to the Board for appointment of Directors, Key Managerial Personnel or Senior Management level. The Committee analyses the appointee with regard to his/her skills, knowledge, experience in the required fields like finance, accounts, audit, law, management, sales, marketing, administration, research, corporate governance, technical operation and other disciplines related to the Company's business. The Committee has the discretion to decide on the age for the concerned positions depending upon the circumstances of each case.

ROLE OF COMMITTEE

The role of the Committee inter-alia are the following :

- a) to formulate a criteria for determining qualifications, positive attributes and independence of a Director.
- b) to recommend to the Board, the appointment and removal of Senior Management Personnel, Key Managerial Personnel.
- c) to carry out evaluation of Director's performance and recommend to the Board appointment / removal based on his / her performance.
- d) to recommend to the Board on (i) policy relating to remuneration for Directors, Key Managerial Personnel and Senior Management and (ii) Executive Directors remuneration.
- e) to make recommendations to the Board concerning any matters relating to the continuation of Office of any Director at any time including the suspension or termination of service of an Executive Director as an employee of the Company subject to the provisions of the law.
- f) Ensure that level and composition of remuneration is reasonable and sufficient, relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- g) to devise a policy on Board diversity
- h) to regularly review the policy.



APPOINTMENT AND REMOVAL OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT PERSONNEL

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, Key Managerial Personnel or at Senior Management level and recommend his/her appointment, as per Company's Policy.
- b) A person should possess adequate qualification, expertise and experience for the position he/she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a Special Resolution.

TERM / TENURE

- a) Managing Director / Whole-time Director (Executive Vice-Chairman)

The Company shall appoint or re-appoint any person as its Executive Vice-Chairman, Managing Director or Executive Director for a term not exceeding five years at a time.

- b) Independent Director

An Independent Director shall hold Office for a term upto five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a Special Resolution by the Company and disclosure of such appointment in the Board's Report.

No Independent Director shall hold Office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed Companies as an Independent Director and three listed Companies as an Independent Director in case such person is serving as a Whole-time Director of a listed Company or such other number as may be prescribed under the Act.

EVALUATION

The Committee shall carry out evaluation of performance of Director, Key Managerial Personnel and Senior Management Personnel yearly or at such intervals as may be considered necessary.

REMOVAL

The Committee may recommend with reasons recorded in writing, removal of a Director, Key Managerial Personnel or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 2013, rules and regulations and the policy of the Company.

RETIREMENT

The Director, Key Managerial Personnel and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, Key Managerial Personnel, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

POLICY FOR REMUNERATION TO DIRECTORS / KEY MANAGERIAL PERSONNEL / SENIOR MANAGEMENT PERSONNEL

- 1) Remuneration to Managing Director / Whole-time Director (Executive Vice-Chairman)

- a) The Remuneration Commission etc., to be paid to Managing Director / Whole-time Director (Executive Vice-Chairman) etc., shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force and the approvals obtained from the shareholders of the Company, whenever necessary.



- b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Director(Executive Vice-Chairman).

2) Remuneration to Non-Executive / Independent Directors

- a) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
- b) All the remuneration of the Non-Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197(5) of the Companies Act, 2013) shall be subject to ceiling / limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.
- c) An Independent Director shall not be eligible to get Stock Options and also shall not be eligible to participate in any share based payment schemes of the Company.
- d) Any remuneration paid to Non-Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of Clause (b) above if the following conditions are satisfied :
 - (i) The Services are rendered by such Director in his capacity as the Professional and
 - (ii) In the opinion of the Committee, the Director possesses the requisite qualification for the practice of that profession.
- e) The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option / Purchase Schemes, shall determine the stock options and other share based payments to be made to Directors (other than Independent Directors).

3) Remuneration to Key Managerial Personnel and Senior Management

- a) The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay, in compliance with the provisions of the Companies Act, 2013 and in accordance with the Company's Policy.
- b) The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option / Purchase Schemes, shall determine the stock options and other share based payments to be made to Key Managerial Personnel and Senior Management.
- c) The fixed pay shall include monthly remuneration, employer's contribution to Provident Fund etc., as decided from time to time.

IMPLEMENTATION

The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.

The Committee may delegate any of its powers to one or more of its members.

For and on behalf of the Board

Place : Coimbatore
Date : 2nd November, 2015

Sd/-
VINOD NARSIMAN
Managing Director
DIN: 00035746

Sd/-
S.N. VARADARAJAN
Executive Vice-Chairman
DIN: 00035693

ANNEXURE - 6

Statement pursuant to Section 134 of the Companies Act, 2013, read with the Companies (Particulars of Employees) Rules, 1975 and Section 197(12) of the Companies Act, 2013 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

- i. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year:

S.No.	Name of the Director	Category of the Director	Ratio of the remuneration to the median remuneration of the employees
1	Sri.B.Balchand	Chairman	Nil
2	Sri. S.N.Varadarajan	Executive-Vice Chairman	5%
3	Sri.Vinod Narsiman	Managing Director	5%
4	Sri. S.Inderchand	Director	Nil
5	Smt. D.Pushpa Varadarajan	Director	Nil
6	Sri.K.S.Mahadevan	Director	Nil
7	Dr.A.K.Sreedharan	Independent Director	Nil
8	Dr.T.C.P.Nambiar	Independent Director	Nil
9	Sri.K.Ramakrishnan	Independent Director	Nil

Note: for this purpose, sitting fees paid to the Directors have not been considered as remuneration.

- ii. The Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager in the Financial Year

S.No.	Name of the Director	Category of the Director	Percentage increase in Remuneration
1	Sri. S.N.Varadarajan	Executive Vice Chairman	12.74% *
2	Sri.Vinod Narsiman	Managing Director	12.74% *
3	Sri.R.Murali	Chief Financial Officer	16.00%
4	Sri.S.Mahadevan	Company Secretary	13.34%

* Increase on account of commission on increased profits.

- iii. The percentage increase in the median remuneration of employees in the Financial Year - 12.74%
- iv. The number of permanent employees on the rolls of Company : 68
- v. The explanation on the relationship between average increase in remuneration and Company performance:

There is relationship between the average increase in remuneration and Company performance. Increments are also linked to the Cost of Living Index and Market Compensation.

- vi. Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company

S. No.	Name	Designation	Gross Remuneration (in ₹)	Performance of the Company at the Financial Year ended 30th June, 2015 (in ₹)
1.	Sri. S.N.Varadarajan	Executive Vice - Chairman	48,08,724	12,14,67,372
2.	Sri.Vinod Narsiman	Managing Director	48,08,724	12,14,67,372
3.	Sri. S. Mahadevan	Company Secretary	7,54,200	12,14,67,372
4.	Sri. R. Murali	Chief Financial Officer	8,95,056	12,14,67,372

- vii. Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer.

Particular	As at 30th June, 2015	As at 30th June, 2014
Market Capitalization of the Company (₹ in lakhs)	5353.85	5878.11
Issued Capital (in ₹)	15,88,67,920	15,88,67,920
Closing Price at Bombay Stock Exchange (in ₹)	33.70	37.00
Earnings Per Share (consolidated) (in ₹)	4.15	3.20
Price Earnings Ratio (Considering consolidated EPS) (in ₹)	8.12	11.56

Note: Percentage increase over decrease in market quotations of the shares of the Company in comparison with the last public offer is not applicable. The last public offer was made in 1993 and the date is incomparable.

- viii. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

The average percentile increase granted to employees other than managerial personnel is 10.71%. The percentile increase granted to managerial personnel is 12.74 %.

- ix. The Key parameters for any variable component of remuneration availed by the Directors :

The Directors are not eligible for any variable compensation for any variable compensation other than Commission as per the provisions of the Act.

- x. The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year: Not applicable
- xi. We affirm that the remuneration paid to Directors, Key Managerial Personnel and employees is as per the remuneration policy approved by the Board of Directors of the Company.
- xii. Particulars of employees [Rule 5 (2) and Rule 5 (3) of Companies (Appointment & Remuneration of Managerial Personnel Rules, 2014]

Name & Age	Sri S.N.Varadarajan, 69 years	Sri Vinod Narsiman, 43 years
Designation	Executive Vice-Chairman	Managing Director
Gross Remuneration paid in (₹)	48,08,724.00	48,08,724.00
Qualification	B.Com	B.E., MBA (University of Michigan)
Date of Commencement of Employment	3.9.1992	18.1.1997
Last Employment	Sun Metals & Alloys Private Limited	Nil

Notes:

1. Sri S.N.Varadarajan, Smt.D.Pushpa Varadarajan and Sri Vinod Narsiman are related to each other. Sri.Vinod Narsiman is son of Sri.S.N.Varadarajan and Smt. D. Pushpa Varadarajan. Further no employee of the Company holding by himself or with his family holding shares of 2% or more in the Company and drawing remuneration in excess of Executive Vice-Chairman & Managing Director.
2. The remuneration includes salary, Commission and perquisites. Employment is with the approval of the shareholders for a period of five years with the recommendation of the Board of Directors to the Shareholders in Annual General Meeting.
3. The remuneration details and all other particulars for the Financial Year ended 30th June, 2015.

For and on behalf of the Board

Place : Coimbatore
Date : 2nd November, 2015

Sd/-
VINOD NARSIMAN
Managing Director
DIN: 00035746

Sd/-
S.N. VARADARAJAN
Executive Vice-Chairman
DIN: 00035693

The Members,
Indsil Hydro Power and Manganese Limited,
"Indsil House", T.V.Samy Road (West),
R.S.Puram, Coimbatore - 641 002

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For KSR & Co Company Secretaries LLP

Sd/-
C.V. Madhusundhanan
Partner
(FCS : 5367; CP:4408)

Place : Coimbatore
Date : 2nd November, 2015

Form No. MR-3
SECRETARIAL AUDIT REPORT

(Pursuant to Section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014

For the Financial Year ended 30th June, 2015

To,

The Members,
Indsil Hydro Power and Manganese Limited,
"Indsil House", T.V.Samy Road (West), R.S.Puram, Coimbatore - 641 002

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Indsil Hydro Power and Manganese Limited (hereinafter called "the Company"). Secretarial Audit was conducted for the financial year ended on 30th June, 2015 in a manner that provided us reasonable basis for evaluating the corporate conduct / statutory compliances and expressing our opinion thereon.

On the basis of the above and on our verification of documents, books, papers, minutes, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of the Audit, We hereby report that in our opinion, the Company has, during the period covered under the Audit as aforesaid, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 30th June, 2015 according to the provisions of:

- (i) The Companies Act, 1956 and the Rules made there under to the extent applicable.
- (ii) The Companies Act, 2013 and the Rules made there under.
- (iii) The Securities Contracts (Regulation) Act, 1956 and the Rules made there under.
- (iv) The Depositories Act, 1996 and the Regulations and Bye-Laws framed there under.
- (v) The Foreign Exchange Management Act, 1999 and the Rules and Regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.

- (vi) The following Regulations and Guidelines prescribed under Securities and Exchange Board of India Act, 1992:-
- The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
 - The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
 - The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
 - The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding Companies Act and dealing with client.
 - The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.
 - The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998.
- (vii) The following laws, regulations, directions, orders applicable specifically to the Company:
- The Electricity Act, 2003.
 - The Electricity Rules, 2005.

We have also examined the compliance with applicable clauses of the following:

- Listing Agreement entered into with Bombay Stock Exchange
- The compliance of Secretarial Standards does not arise as the same was not applicable for the period covered under the Audit.

On the basis of the information and explanation provided, the Company had no transaction during the period under Audit requiring the compliance of applicable provisions of Act / Regulations / Directions as mentioned above in respect of:

- Issue of securities both equity and / or debt.
- Foreign Direct Investment, External Commercial Borrowings and Overseas Direct Investment.
- Delisting of equity shares.
- Buy-back of securities.

We further report that :

The Board of Directors of the Company is duly constituted with the proper balance of Executive Directors, Non-Executive Directors and Independent Directors as per provisions of Companies Act, 2013. The changes in the composition of the Board of Directors that took place during the period covered under the Audit were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. In the absence of any statutory requirement to send agenda or detailed notes on agenda seven days in advance, reporting on compliance of the same does not arise.

Majority decision is carried through and recorded as part of the minutes. We understand from the minutes of the Board Meetings that there were no dissenting views of Directors.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the period covered under the Audit, the Company has made the following specific actions having a major bearing on the Company's affairs in pursuance of laws, rules, regulations, guidelines, referred to above:

Members have enabled Borrowing Powers of the Company up to a limit of ₹ 500 Crores over and above the aggregate of the paid-up share capital and free reserves under Section 180(1)(c) of the Companies Act, 2013 at the 24th Annual General Meeting.

For KSR & Co Company Secretaries LLP

Sd/-
C.V. Madhusundhanan
Partner
(FCS : 5367; CP:4408)

Place : Coimbatore
Date : 2nd November, 2015

MANAGEMENT DISCUSSION AND ANALYSIS

(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 steel and stainless industry went through an extremely bearish phase consequently leading to recessionary trends in the ferro alloy industry.

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.

The Andhra Pradesh subsidiary, Sree Mahalakshmi Smelters Pvt Ltd continues to suffer on account of high cost of 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)	11173	50.53 Million Units
Sales (MT)	10534	46.79 Million Units
Revenue in ₹ Lakhs	11588	2808
PBDIT in ₹ Lakhs	(178)	2611

The smelter division struggled to maintain adequate operating margins on account of the global recession in the industry.

POWER DIVISION :

The year under review saw good monsoon cycles which resulted in the hydro electric power plant generating 50.53 million units of electricity as compared to 38.23 million units during the previous year. The additional electricity generation translated directly to enhance the bottom line for the Company during the year under review.

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

Due to struggling industry conditions, the Company has decided not to make any near term investments in any new projects related to the industry. The Company will wait for this phase to tide out before considering fresh investments.

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	30th June, 2011	30th June, 2012	30th June, 2013	30th June, 2014	30th June, 2015
OPERATING RESULTS :					
1. Sales	9161	5686	9761	11633	11112
2. Operating Profit (PBIDT)	1796	1558	719	1875	2433
3. Interest	73	248	296	371	505
4. Depreciation	354	367	380	398	427
5. Taxes	292	(61)	15	21	286
6. Net Income (PAT)	1054	1003	28	1086	1215
7. Dividend Percentage	10%*	10%*	5%	12%	12%
Dividend Amount	159	159	79	191	191
Dividend Tax	26	26	13	38	-
8. Production					
Ferro Alloys (MT)	11498	6826	10429	12640	11173
Power (Lakh KWH)	431	435	149	382	505

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

₹ in lakhs

Particulars	30th June, 2011	30th June, 2012	30th June, 2013	30th June, 2014	30th June, 2015
II. PERFORMANCE PARAMETERS					
1. Share Capital	1589	1589	1589	1589	1589
2. Reserves & Surplus	5247	6069	6006	6863	7926
3. Secured Loans	1083	1877	3996	2292	2633
4. Deferred Liabilities	1123	1555	1370	1507	1491
5. Fixed Assets (Gross Block)	8980	9271	9478	9530	9577
6. Accumulated Depreciation	(4260)	(4623)	(4995)	5390	5817
7. Investments	527	463	2166	2192	2192
8. Net Current Assets	3786	5779	6312	2565	4099



₹ in lakhs

Particulars	30th June, 2011	30th June, 2012	30th June, 2013	30th June, 2014	30th June, 2015
III. RATIOS :					
1. Profit after tax / sales (%)	10.23	17.66	0.32	9.33	10.93
2. Return on Net Worth (%)	15.43	13.11	0.37	12.85	12.77
3. Earnings per Share (₹)	7.55*	6.32*	0.18*	6.84*	7.65
4. Cash Earnings per share (₹)	8.87*	8.63*	2.57*	9.34*	10.33
5. Debt Equity Ratio	0.10	0.07	0.05	0.23	0.23
6. Book Value Per Share (₹)	43.03*	48.20*	47.80*	53.20*	59.89

*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.

For and on behalf of the Board

Place : Coimbatore
Date : 2nd November, 2015

Sd/-
VINOD NARSIMAN
Managing Director
DIN: 00035746

Sd/-
S.N. VARADARAJAN
Executive Vice-Chairman
DIN: 00035693

THE CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO PURSUANT TO THE PROVISIONS OF SECTION 134 (3) (m) OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (ACCOUNTS) RULES, 2014:

INFORMATION REQUIRED UNDER SECTION 134 OF THE COMPANIES ACT, 2013.

A. CONSERVATION OF ENERGY

- | | | | |
|------|--|---|--|
| i. | The Steps taken for Conservation of Energy | : | 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. |
| ii. | The Steps taken by the Company for utilizing alternate sources of energy | : | Not applicable |
| iii. | The Capital investment on energy conservation equipments | : | Not applicable |

B. TECHNOLOGY ABSORPTION

- | | | | |
|------|---|---|--|
| i. | Efforts made towards technology absorption | : | The Company through R&D in process control has consistently improved the performance through innovative practices developed and perfected in-house. |
| ii. | Benefits derived like product improvement, cost reduction, product development or import substitution | : | The metallurgical balance and recovery rates achieved through in-house R&D had made this Company outstanding in performance when compared with other industries in this class. |
| iii. | In case of imported technology (for the last 3 Years) | : | The Company has developed indigenously Raw Material charging systems and stocking machines. |
| | a. The details of technology import | | |
| | b. The year of import | | |
| | c. Whether the technology has been fully absorbed | | |
| | d. If not fully absorbed areas where absorption has not taken place, and the reasons thereof | | |
| vi. | Expenditure incurred on R&D | : | R & D is done on a continuous basis and products with critical specification and better grades have been achieved. This is a continuous process industry, development of newer and better products is achieved as a part of regular manufacturing process and therefore no separate cost allocation can be done for R & D. |

The Company has developed indigenous system for Raw Material feeding and for furnace stoking which in turn enhances the versatility of the batching system. The expenditure incurred during the Financial Year ended 30th June, 2015 is ₹ 20 lakhs.

**C. FOREIGN EXCHANGE EARNINGS AND OUTGO**

₹ in lakhs

Particulars	2014-15	2013-14
Earnings (Export)	8005.50	8286.19
Expenditure	8.80	8.07

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.

For and on behalf of the Board

Place : Coimbatore
Date : 2nd November, 2015

Sd/-
VINOD NARSIMAN
Managing Director
DIN: 00035746

Sd/-
S.N. VARADARAJAN
Executive Vice-Chairman
DIN: 00035693

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.

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 review its corporate governance in the light of developing requirement in the field and as new provisions come into effect, such provisions are complied with wherever 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 form and substance of transactions are reasonably representing the Company's state of affairs and the profits for the year.

BOARD OF DIRECTORS

As a Board, the Directors are committed to ethical and lawful conduct of business and possess the ability to see the affairs of the Company in the right direction. The Board places emphasis on highest standards of governance practices which allows the Company to carry on its business in the long term interest of the shareholders.

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

a. Present Composition of Board of Directors:

The Board of Directors is constituted in such a way that it conforms to the provisions of the Companies Act, 2013 and to the conditions of the Listing Agreement. The composition of the Board of Directors ensure a mix of Executive and Non-Executive Directors as well as the combination of Independent and Non-Independent Directors.

The Board comprises of nine Directors who in turn in their individual capacity bring collective wisdom to the welfare of the Company. There are two Executive Non-Independent Directors, four Non-Executive Non-Independent Directors and three Non-Executive Independent Directors.

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

Appointment / Re-appointment of Directors

In terms of Clause 49 of the Listing Agreement with the Stock Exchanges, a brief resume of Directors proposed to be re-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, five Board meetings were held and the gap between two meetings did not exceed four months. The Board meetings were held on 27.08.2014, 13.11.2014, 19.12.2014, 09.02.2015 & 11.05.2015.

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 Committee Membership/Chairmanship held by them and the shares held by Non-Executive Directors are given below :-

Name of the Directors	Board Meetings	Audit Committee Meetings	Stakeholders Relationship Committee Meetings	Share Transfer Committee Meetings	Risk Management Committee	Last AGM Attendance (Yes/No)	No. of shares held by Non-Executive Directors
Sri B Balchand	4	-	-	-	-	Y	66,666
Sri S.N. Varadarajan	5	-	-	-	1	Y	NA
Sri Vinod Narsiman	5	4	-	-	1	Y	NA
Smt. D. Pushpa Varadarajan	5	-	1	17	-	Y	5,30,208
Sri S. Inderchand	5	-	1	17	-	Y	1,44,630
Sri K.S. Mahadevan	5	-	-	-	-	Y	93,000
Dr. T C P Nambiar	5	4	-	-	-	Y	-
Dr. A.K. Sreedharan	5	4	-	-	1	Y	-
Sri K. Ramakrishnan	5	-	-	-	-	Y	1,800

All the Independent Directors, Dr. A.K.Sreedharan, Dr. T.C.P.Nambiar and Sri K.Ramakrishnan attended the meeting.

Directors inter-se relationship, details of shareholding and brief resume of Directors seeking appointment / re-appointment are provided as Annexure to the Notice of Annual General Meeting.

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	9	-	-	-
Sri S. Inderchand	4	-	-	-
Sri B. Balchand	4	-	-	-
Sri K.S. Mahadevan	2	-	-	-
Dr. T C P Nambiar	1	-	-	-
Dr. A.K. Sreedharan	1	-	-	-
Sri K. Ramakrishnan	2	-	-	-

None of the Directors in the Board are members 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. Meeting of the Independent Directors

As required under the Companies Act, 2013, Clause 49 of the Listing Agreement (as amended), a separate meeting of the Independent Directors of the Company was held on 26th June, 2015.

The Familiarisation Programme for Independent Directors was conducted and the details can be viewed at the Company's website www.indsil.com.

e. Change in the composition of Directors:

The Board was reconstituted during the financial year as follows:

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

and the same was reported in the Corporate Governance Report last year.

f. Code of Conduct to regulate monitor and report trading by insider

The Company has adopted fresh Code of Conduct to regulate, monitor and report trading by insider as per SEBI regulations of Prohibition of Insider Trading (PIT) which came into force with effect from 15th May, 2015 for its Directors and Senior Management Personnel, employees and such other persons having professional / business association with the Company that allows directly or indirectly access to Unpublished Price Sensitive Information (UPSI). 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 and such other persons have affirmed compliance with the Code on an annual basis and whenever the necessity arises.

g. Details of Remuneration paid or payable to Directors during 2014-15

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 Directors at the rate of ₹ 2,500/- per meeting for attending each meeting of the Board and/or Committee thereof in terms of Clause 70 of the Articles of Association of the Company.

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 subject to an overall ceiling of ₹ 6,00,000/- per year, is payable to the Non-Executive Directors of the Company.

COMMITTEES OF DIRECTORS

Committees of Board of Directors are constituted to assist the Board to ensure effective compliance of all the statutory requirements and efficient conduct of business of the Company. The details of such Committees are as follows :

i. AUDIT COMMITTEE

An Audit Committee has been constituted with scope of activities as set out in Clause 49 of the Listing Agreement with the Stock Exchange and as per provisions of Section 177 of the Companies Act, 2013.

a. Composition

The Committee consists of 2 Non-Executive independent Directors Dr. A.K. Sreedharan as Chairman of the Committee and Dr. T C P Nambiar as Member of the Committee. Sri Vinod Narsiman is the other Member of the Committee.

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 Listing Agreement and as per Section 177 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.

Company Secretary of the Company is the Secretary of the Committee.

c. Committee Meetings

The Committee met 4 times during the year on 27.08.2014, 13.11.2014, 09.02.2015 and 11.05.2015. The attendance of the members at the meetings is stated below.

Members	Committee meetings attended
Dr. A K Sreedharan	4
Dr. T C P Nambiar	3
Sri Vinod Narsiman	4

The Chairman of the Committee Dr. A.K. Sreedharan was present at the Annual General Meeting held on 19.12.2014.

ii. STAKEHOLDERS' RELATIONSHIP COMMITTEE

a. Composition

The Stakeholders Relationship Committee was constituted by the Board on 30.07.2001 and it comprises of Sri S. Inderchand (Chairman) and Smt. D. Pushpa Varadarajan (Member). Earlier this Committee was known as Shareholders Grievance Committee. In order to comply with the provisions of the Companies Act, 2013, the said Committee was renamed as Stakeholders Relationship Committee by the Board of Directors in its meeting held on 17th August, 2015.

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.

Sri S. Mahadevan, Company Secretary and Compliance Officer is the Secretary of the Committee.

c. Committee meetings

The Stakeholders Relationship Committee met on 2nd November, 2015 and reviewed the grievances/complaints received and the action taken on the grievances/complaints.

Complaints Status from 1.7.2014 to 30.6.2015.

- Number of shareholders' complaints received so far : 1
(including dividend revalidation requests, non receipt of dividend warrants and non receipt of annual reports)
- Number of complaints solved to the satisfaction of shareholders : 1
- Number of pending complaints : Nil

iii. SHARE TRANSFER COMMITTEE

a. Composition.

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

b. Terms of reference

This Committee approves transfers, deletion of the names, 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 are placed before the Board regularly.

c. Committee Meetings

During 2014-15, 17 meetings of the Committee were held on 5.07.2014, 13.07.2014, 19.07.2014, 2.8.2014, 30.8.2014, 20.9.2014, 30.09.2014, 18.10.2014, 25.10.2014, 22.11.2014, 15.12.2014, 31.12.2014, 17.1.2015, 24.1.2015, 31.1.2015, 21.3.2015 & 6.6.2015.

Sri S. Inderchand, Chairman of the Committee and Smt. D. Pushpa Varadarajan, Member of the Committee attended all the 17 meetings.

iv. COMPENSATION COMMITTEE

a. Composition

The Committee was constituted by the Board of Directors on 28th October, 2008 and Dr. A.K. Sreedharan, Independent Director, Sri. S. Inderchand, Non-executive, Non-Independent Director and Sri Vinod Narsiman, Managing Director are the Members 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 2015".

v. NOMINATION AND REMUNERATION COMMITTEE (NR COMMITTEE)

The Board has changed the nomenclature of the Remuneration Committee formed earlier as Nomination & Remuneration Committee (NR Committee).

The NR Committee consists of the following Directors as members :

- 1) Dr. A.K.Sreedharan - Chairman
- 2) Dr. T.C.P.Nambiar - Member
- 3) Sri S.Inderchand - Member

Terms of Reference

- To identify persons who are qualified to become Directors and who may be appointed as Key Managerial Personnel / Senior Managerial Personnel in accordance with the criteria laid down and to recommend to the Board their appointment in and/or removal.
- To carry out evaluation of every Director's performance.
- To formulate the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel and other Senior Managerial Personnel and employees.
- To formulate the criteria for evaluation of Independent Directors and the Board.
- To devise a policy on Board diversity.
- To recommend/review remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance and defined assessment criteria.
- To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification, as may be applicable.
- To perform such other functions as may be necessary or appropriate for the performance of Committee's duties.

During the year, one meeting of the NR Committee was held on 2nd November, 2015 and all the members attended the meeting.

vi. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR COMMITTEE)

As required under the Companies Act, 2013 and Listing Agreement, the CSR Committee was formed with the following Directors :

- 1) Sri S.N.Varadarajan, Executive Vice - Chairman, as Chairman of the Committee
- 2) Sri Vinod Narsiman, Managing Director, as Member of the Committee

vii. RISK MANAGEMENT COMMITTEE

The Committee was formed to lay down procedure for risk assessment and to review the same periodically. The Committee consists of the following Directors :

Sri S.N.Varadarajan, Executive Vice-Chairman, as Chairman of the Committee

Sri Vinod Narsiman, Managing Director, as Member of the Committee.

Dr A.K. Sreedharan, Director, as Member of the Committee.

viii.COMMITTEE FOR SEXUAL HARASSMENT OF WOMEN AT WORK PLACE

The Company has adopted policy on Prevention of Sexual Harassment of Women at Workplace in accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

A Committee in this regard has been duly constituted in accordance with Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013.

During the financial year ended 30th June, 2015, the Company has not received any complaints pertaining to Sexual Harassment of Women.

ix. VIGIL MECHANISM

The Board has constituted Vigil Mechanism as per Rule 7 of the Companies (Meeting of its 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 look into concerns and grievances of employees concerned.

GENERAL BODY MEETINGS

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

Year	Location	Date	Time
2014	Chamber Towers 8/732 Avanashi Road Coimbatore 641 018	19-12-2014	10.15 A.M.
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.

Details of special resolution (s) passed at the above Annual General Meetings :

ANNUAL GENERAL MEETING, 2012

- 1) Variation of Vesting Period - Options under "INDSIL ESOS 2008"

ANNUAL GENERAL MEETING, 2013

NIL

ANNUAL GENERAL MEETING, 2014

- 1) Re-appointment of Sri S.N.Varadarajan as Executive Vice-Chairman
- 2) Approval for Borrowing Powers
- 3) Approval for subscription / purchase of shares / issuance of Corporate Guarantees / provision of Loans to Body(ies) Corporate
- 4) Approval for Related Party Transactions

Postal Ballot as per Clause 35B of the Listing Agreement was done for replacing the INDSIL ESOS 2008 with INDSIL ESOS 2015. The shareholders had overwhelmingly approved the new INDSIL ESOS 2015.

DISCLOSURES

The Company has adopted a Related Party Transaction Policy. The transaction with Related Parties are monitored in accordance with the Policy. Details of related party transactions are given elsewhere in the Annual Report as per Accounting Standards AS-18.

1. 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, 2015.
2. The Company has complied with all the mandatory requirements.
3. 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 shares transferred by the Trust	IInd tranche of shares transferred by the Trust	IIIth tranche of shares transferred by the Trust	IV nd tranche of shares 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.

Name of the Employee	Total No.of Options granted	Ist tranche of shares transferred by the Trust	IInd tranche of shares transferred by the trust	IIInd tranche of shares transferred by the trust	IVth tranche of shares transferred 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 transferred 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. Accordingly 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.

The ESOS was amended as INDSIL ESOS 2015. More details are furnished in the Directors Report.

MEANS OF COMMUNICATION

Quarterly results, dividend announcements, book closure/record dates are intimated to the Bombay Stock Exchange where the Company's shares are listed and also published in the Newspapers, 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 are also sent to those shareholders whose email addresses are not available with the Company.

The Company in terms of Circular No. 17/2011 dated 21.4.2011 and Circular 18/11 dated 29.4.2011 issued by the Ministry of Corporate Affairs has taken Green Initiative in the Corporate Governance by allowing paperless compliance and requested the shareholders to register their email addresses with their depository participant (DP) and update any changes and also inform Company's Registrars and Share Transfer Agents 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 their mail addresses with their DPs / 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 to the Directors' Report.



GENERAL SHAREHOLDER INFORMATION

1. Annual General Meeting

- a. Date & Day : Wednesday, the 16th December 2015
- b. Time : 11.00 A.M.
- c. Venue : Chamber Towers
8/732 Avanashi Road
Coimbatore 641 018

2. Financial Calendar for 2015-16 :

Declaration of financial results:

- Unaudited financial results for the 1st quarter : by 15th November, 2015
- Unaudited financial results for the 2nd quarter : by 15th February, 2016
- Unaudited financial results for the 3rd quarter : by 30th May, 2016*

* Since the financial year will be for 9 months from 1.7.2015 to 31.3.2016

- Annual General Meeting for the financial year ending 31st March, 2016 : Within 6 months from the close of the accounting year

3. Date of Book Closure : Thursday, 10th December, 2015 to Wednesday, 16th December, 2015

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 2014-15 on The Bombay Stock Exchange Ltd.

Month & Year	High ₹	Low ₹
July, 2014	38.30	33.50
August, 2014	42.85	34.05
September, 2014	52.00	37.10
October, 2014	49.50	40.55
November, 2014	56.95	44.50
December, 2014	51.80	40.00
January, 2015	48.20	41.20
February, 2015	51.20	40.90
March, 2015	47.45	35.25
April, 2015	40.60	35.00
May, 2015	38.50	33.10
June, 2015	37.45	30.30

7. Categories of Shareholders as on 30th June, 2015

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	136	3,28,083	1.97
Resident Individuals	7295	55,87,608	35.18
Non-Resident Indians	253	2,90,894	1.83
Sub-Total - C	7684	62,06,585	38.98
GRAND TOTAL (A+B+C)	7713	1,58,86,792	100.00

8. Registrars and Share Transfer Agents.

Both physical and demat segments are handled by the Company's Registrars & Share Transfer Agents 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, 2015.

Range (Value in ₹)	No. of Shareholders	% held (% No. of Shareholders)	Face value of shares (₹)	% held (% Value)
Up to 5000	6058	78.54	11812250	7.44
5001 to 10000	837	10.85	6694200	4.21
10001 to 20000	407	5.28	6207460	3.91
20001 to 30000	116	1.50	2856680	1.80
30001 to 40000	63	0.82	2199040	1.38
40001 to 50000	57	0.74	2618340	1.65
50001 to 100000	89	1.15	6892940	4.34
100001 and above	86	1.12	119587010	75.27
TOTAL	7713	100.00	158867920	100.00

11. Dematerialisation of shareholdings and liquidity:

As on 30.6.2015, 1,52,15,962 shares constituting 95.78% of the total paid-up capital of the Company have been dematerialized. In view of the numerous advantages offered by the depository system, shareholders 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 Dist. 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)

(b) Joint Venture Company

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

17. Wholly Owned Subsidiary (WOS)

Indsil Hydro Global (FZE)
SAIF Lounge P.O. Box 9049
Sharjah Airport International Free Zone (SAIF) UAE

18. 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

19. Compliance Officer

Sri S. Mahadevan
Company Secretary

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

For and on behalf of the Board

Place : Coimbatore
Date : 2nd November, 2015

Sd/-
VINOD NARSIMAN
Managing Director
DIN: 00035746

Sd/-
S.N. VARADARAJAN
Executive Vice-Chairman
DIN: 00035693

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

As 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, Key Managerial Personnel and Senior Managerial Personnel of Indsil Hydro Power and Manganese Limited have affirmed compliance with the Code of Conduct adopted by the Company for the year 2014-15.

Place : Coimbatore
Date : 2nd November, 2015

For **INDSIL HYDRO POWER AND MANGANESE LIMITED**

Sd/-
S.N. VARADARAJAN
Executive Vice - Chairman

CERTIFICATE ON CORPORATE GOVERNANCE

The Shareholders
INDSIL HYDRO POWER AND MANGANESE LIMITED
"Indsil House"
T.V.Samy Road (West), R.S.Puram
Coimbatore - 641002

We have examined all the relevant records for certifying the compliance of conditions of Corporate Governance by Indsil Hydro Power and Manganese Limited (the Company) for the year ended 30th June, 2015, as stipulated in Clause 49 of the Listing Agreement entered into by the said Company with Bombay Stock Exchange Ltd.

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

In our opinion and on the basis of our examination of the records produced, explanations and information furnished, we certify that the Company has complied with

(a) all the mandatory conditions of Clause 49 of the Listing Agreement

(b) the following non-mandatory requirements of Clause 49:

- i. The Company has moved to a regime of unqualified financial statements.

This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **KSR & CO COMPANY SECRETARIES LLP**

Sd/-
C V MADHUSUDHANAN (Partner)
Membership No. FCS 5367
CP No. : 4408

Place : Coimbatore
Date : 2nd November, 2015



CERTIFICATION BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER (CFO)

To
The Board of Directors
Indsil Hydro Power and Manganese Limited
Coimbatore - 641 002

We, the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of Indsil Hydro Power and Manganese Limited ("the Company"), to the best of our knowledge and belief certify that:

- I. We have reviewed the financial statements and the cash flow statement for the Financial Year ended 30th June, 2015 and based on our knowledge and belief, we state that :
 - a) these statements do not contain any materially untrue statement or omit any material fact or contain any statements that might be misleading.
 - b) these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- II. We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- III. We hereby declare that all the members of the Board of Directors and Management Committee have confirmed compliance with the Code of Conduct as adopted by the Company.
- IV. We are responsible for establishing and maintaining internal controls and for evaluating the effectiveness of the same over the financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- V. We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and Audit Committee:
 - a. significant changes, if any, in the internal control over financial reporting during the year;
 - b. significant changes, if any, in the accounting policies made during the year and that the same has been disclosed in the notes to the financial statements; and
 - c. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having significant role in the Company's internal control system over financial reporting.

Place : Coimbatore
Date : 2nd November, 2015

Sd/-
VINOD NARSIMAN
Managing Director

Sd/-
R. MURALI
Chief Financial Officer

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF M/S.INDSIL HYDRO POWER AND MANGANESE LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of INDSIL HYDRO POWER AND MANGANESE LIMITED ("the Company"), which comprise the Balance Sheet as at 30th June, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the 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 on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 30th June, 2015;
- (b) In the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
- (c) In the case of 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, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of the written representations received from the Directors as on 30th June, 2015 and taken on record by the Board of Directors, none of the Directors is disqualified as on 30th June, 2015 from being appointed as a Director in terms of Section 164 (2) of the Act.
 - f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 7 of Annexure to the Independent Auditors Report.
 - ii. The Company does have long term contracts including derivative contracts for which there are no material foreseeable losses. Refer notes no. 2.45 to financial statements.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

Sd/-
K. R. Rangarajan, FCA,
Partner
Membership No. 224928

Coimbatore
17th August, 2015

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

The Annexure referred to in our report to the Members of M/s INDSIL HYDRO POWER AND MANGANESE LIMITED for the year ended 30th June, 2015. We report that:

1. In respect of its Fixed Assets:
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) The fixed assets have been physically verified by the Management at reasonable intervals and no material discrepancies were noticed on such verification.
2. In respect of its inventories:
 - (a) The Management has carried out physical verification of inventory at reasonable intervals.
 - (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 is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
3. (a) The Company has granted unsecured loan, to Companies for ₹7.63 crores covered in the register maintained under Section 189 of the Companies Act, 2013, during the financial year.
- (b) There are no overdue amount of more than Rupees one lakh.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and nature of its business for the purchase of inventory, fixed assets and also for the sale of goods and services. We have not observed any major weaknesses in internal control systems during the course of our audit.
5. The Company has not accepted any deposits from the public.
6. We have broadly reviewed the cost records maintained by the Company prescribed by the Central Government under sub section (1) of Section 148 of the Companies Act, 2013, as have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
7. According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, wealth tax, customs duty, excise duty, service tax, cess and other material statutory dues as applicable with the appropriate authorities in India.

According to the information and explanations given to us and the records of the Company examined by us, in our opinion, there is no disputed statutory dues including sales tax, income tax, wealth tax, excise duty, service tax and cess payable at the last day of financial year concerned for a period more than six months from the date they become payable.

Details of dues of Customs duty, as on 30th June, 2015 on account of disputes are given below:

Name of the Statute	Nature of Dues	Forum where the dispute is pending	Period to which the amount relates	Amount involved ₹
The Customs Act, 1962	Customs Duty	CESTAT	2012-2013	23,99,437
The Customs Act, 1962	Customs Duty	CESTAT	2013-2014	53,29,508



8. The Company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
9. 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 or bank as at the Balance Sheet date.
10. As per information and explanations given to us, the Company has given corporate guarantees for loans taken by its Subsidiary/Joint Venture/Associates from bank or financial Institutions during the year amounting to ₹ 33.85 crores.
11. 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.
12. 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 M/s. Raja & Raman
Chartered Accountants
Firm Registration No.003382S

Sd/-
K. R. Rangarajan, FCA,
Partner
Membership No. 224928

Coimbatore
17th August, 2015

**BALANCE SHEET AS AT 30TH JUNE, 2015**

PARTICULARS	NOTE No.	As at 30.06.2015 ₹	As at 30.06.2014 ₹
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	79,25,52,228	68,63,36,558
		95,14,20,148	84,52,04,478
Non- current liabilities			
(a) Long-term borrowings	2.03	5,72,91,666	5,04,89,579
(b) Deferred Tax liabilities (Net)	2.04	2,53,25,539	2,81,75,672
(c) Long-term Provisions	2.05	12,37,43,699	12,25,08,698
		20,63,60,905	20,11,73,949
Current Liabilities			
(a) Short term borrowings	2.06	16,28,56,287	14,49,06,897
(b) Trade payables	2.07	16,76,49,171	21,76,13,285
(c) Other current liabilities	2.08	8,65,80,608	6,64,55,945
(d) Short term provisions	2.09	1,90,64,150	2,28,76,598
		43,61,50,216	45,18,52,725
TOTAL		159,39,31,269	149,82,31,152
II ASSETS			
Non-current assets			
(a) Fixed assets	2.10		
(i) Tangible assets		37,46,72,570	35,93,91,464
(ii) Capital work-in-progress		-	5,27,71,187
(iii) Intangible assets		13,27,867	18,10,609
(b) Non-current investments	2.11	21,86,80,590	21,86,80,590
(c) Long-term loans and advances	2.12	15,32,06,874	15,71,82,418
		74,78,87,901	78,98,36,267
Current assets			
(a) Current investments	2.13	5,05,570	4,98,030
(b) Inventories	2.14	32,60,00,593	30,18,64,949
(c) Trade receivables	2.15	17,70,00,140	10,03,18,922
(d) Cash and Cash equivalents	2.16	4,84,71,388	6,72,68,325
(e) Short-term loans and advances	2.17	28,35,33,107	21,39,77,007
(f) Other Current assets	2.18	1,05,32,569	2,44,67,651
		84,60,43,368	70,83,94,884
TOTAL		159,39,31,269	149,82,31,152

As per our report of even date

For and on behalf of the Board

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

Sd/-
S.N. VARADARAJAN
Executive Vice-Chairman

Sd/-
VINOD NARSIMAN
Managing Director

Sd/-
K.R. RANGARAJAN
Partner
Membership No.224928

Sd/-
S. INDERCHAND
Director

Sd/-
S. MAHADEVAN
Company Secretary

Sd/-
R. MURALI
Chief Financial Officer

Place : Coimbatore
Date : 17th August, 2015

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 30TH JUNE, 2015**

PARTICULARS	NOTE No.	Year ended 30.06.2015 ₹	Year ended 30.06.2014 ₹
Revenue			
I Revenue from operations	2.19	111,12,98,930	116,33,16,151
II Other Income	2.20	12,31,30,324	7,71,20,158
III Total Revenue (I + II)		<u>123,44,29,254</u>	<u>124,04,36,309</u>
IV Expenses :			
Cost of Materials Consumed	2.21	52,86,91,833	53,20,07,940
Purchases of Stock-in-Trade		20,00,29,903	13,94,92,872
Changes in inventories of finished goods, Work in progress	2.22	(3,16,80,382)	1,60,08,739
Other Manufacturing expenses	2.23	14,72,25,565	21,98,14,079
Employee benefits expense	2.24	7,64,92,981	6,68,37,659
Finance Costs	2.25	5,05,48,016	3,71,04,458
Depreciation and amortization expenses	2.26	4,26,98,624	3,97,83,592
Other expenses	2.27	7,03,49,345	7,87,49,734
Total Expenses		<u>108,43,55,886</u>	<u>112,97,99,073</u>
V Profit before exceptional and extraordinary items and tax (III-IV)		15,00,73,368	11,06,37,236
VI Extraordinary items		-	-
VII Profit before tax (V-VI)		<u>15,00,73,368</u>	<u>11,06,37,236</u>
VIII Tax expense:			
Current tax		5,01,98,622	2,21,36,022
MAT Adjustment		(1,87,42,494)	(2,21,36,022)
Deferred tax		(28,50,133)	20,49,210
		<u>2,86,05,996</u>	<u>20,49,210</u>
IX Profit for the year (VII - VIII)		<u><u>12,14,67,372</u></u>	<u><u>10,85,88,026</u></u>
X Earnings per equity share:			
(1) Basic	2.28	7.65	6.84
(2) Diluted		7.65	6.84

As per our report of even date

For and on behalf of the Board

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

Sd/-
S.N. VARADARAJAN
Executive Vice-Chairman

Sd/-
VINOD NARSIMAN
Managing Director

Sd/-
K.R. RANGARAJAN
Partner
Membership No.224928

Sd/-
S. INDERCHAND
Director

Sd/-
S. MAHADEVAN
Company Secretary

Sd/-
R. MURALI
Chief Financial Officer

Place : Coimbatore
Date : 17th August, 2015



NOTES TO FINANCIAL STATEMENTS

2.01 SHARE CAPITAL

Particulars	30.06.2015 ₹	30.06.2014 ₹
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	30.06.2015		30.06.2014	
	Number of Shares	Value (in ₹)	Number of Shares	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	30.06.2015		30.06.2014	
	No. of shares held	% of holding	No. of shares held	% of holding
Sunmet Holdings India Private Limited	55,18,252	34.73%	55,18,252	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	Value (in ₹)
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	30.06.2015 ₹	30.06.2014 ₹
1. Securities Premium Account		
Opening balance	96,92,956	94,04,356
Add: Credit on Exercise of ESOS Shares during the year (No. of shares issued : 4,625 shares @ ₹ 62.40)	-	288,600
Closing balance	96,92,956	96,92,956
2. General Reserves :		
Opening balance	12,67,60,003	12,67,60,003
Closing balance	12,67,60,003	12,67,60,003
3. Surplus		
Opening balance	54,98,83,598	46,41,72,171
(+) Profit/(Loss) for the current year	12,14,67,372	10,85,88,026
(-) Proposed Dividend	(1,90,64,150)	(1,90,64,150)
(-) Tax on Proposed Dividend*	38,12,449	(38,12,449)
Closing balance	65,60,99,269	54,98,83,598
Closing Balance	79,25,52,228	68,63,36,558

* The tax on dividend was provided in the year 2013-14, the same is reversed and this amount is set-off against tax on dividend due to dividend received from foreign subsidiary.(viz) Indsil Hydro Global (FZE). This amount of ₹38,12,449 is transferred back to surplus account.

2.03 LONG TERM BORROWINGS

Particulars	30.06.2015 ₹	30.06.2014 ₹	30.06.2015 ₹	30.06.2014 ₹
	Non Current		Current Maturities	
Secured				
Term loans from Banks				
- Rupee Loan	5,72,91,666	3,33,33,333	2,60,41,667	1,66,66,667
- Foreign Currency Loan	-	1,71,56,246	1,71,56,245	1,71,56,250
Total	5,72,91,666	5,04,89,579	4,31,97,912	3,38,22,917

ECB loan of 3,75,000 USD outstanding in Standard Chartered Bank is repayable in 4 equal quarterly installments 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 Export Import Bank of India repayable in 16 equal quarterly installments. The loan is secured by way of pari passu first charge on the entire movable and immovable fixed assets of the Company and second pari passu charge on the entire current assets of the Company.

The Company has availed 5 Crores Rupee term loan from Yes Bank during the year 2014 repayable in 12 equal quarterly installments. The loan is secured by way of first pari passu charge on entire fixed assets and second pari passu on the current assets of the Company.

NOTES TO FINANCIAL STATEMENTS (Contd.)

Particulars	30.06.2015 ₹	30.06.2014 ₹
2.04 DEFERRED TAXES		
Deferred Tax Liabilities due to Depreciation on Fixed assets	2,53,25,539	2,81,75,672
Total	2,53,25,539	2,81,75,672
2.05 LONG TERM PROVISIONS		
Provision for Gratuity	1,27,94,269	115,59,268
Provision for Electricity demands	11,09,49,430	11,09,49,430
Total	12,37,43,699	12,25,08,698
2.06 SHORT TERM BORROWINGS		
Secured :		
Working Capital facilities from Banks		
- In Rupee	16,28,56,287	141,980,313
- In Foreign Currency	-	29,26,584
Total	16,28,56,287	14,49,06,897
<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 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 carries interest LIBOR plus 60 BPS to LIBOR plus 150 BPS.</p>		
2.07 TRADE PAYABLES		
Dues to Micro, Small and Medium Enterprises	-	-
Others	16,76,49,171	21,76,13,285
Total	16,76,49,171	21,76,13,285
<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)	4,31,97,912	3,38,22,917
Advance from Customers	-	-
Unclaimed Dividends	21,74,200	20,89,918
Accrued Employee benefits	49,35,351	49,03,732
Statutory liabilities	11,44,540	26,43,425
Other Payables	3,51,28,605	2,29,95,953
Total	8,65,80,608	6,64,55,945
2.09 SHORT TERM PROVISIONS		
Proposed Dividend	1,90,64,150	1,90,64,150
Tax on Proposed Dividend	-	38,12,448
Total	1,90,64,150	2,28,76,598



NOTES TO FINANCIAL STATEMENTS (Contd.)

2.10 FIXED ASSETS

Particulars	Gross Block			Depreciation			Net Block	
	Cost as on 1.7.2014	Additions during the year	Deduction during the year	Cost as on 30.6.2015	Upto 30.6.2014	For the year during the year	Upto 30.6.2015	WDV as on 30.6.2015
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	-	-	-	2,74,46,106
Building	49,91,74,334	56,513,266	-	55,56,87,599	13,91,07,289	99,89,725	14,90,97,014	14,99,96,567
Plant and Equipment	2,09,00,069	520,145	-	2,14,20,214	34,94,41,757	2,90,85,509	37,85,27,266	15,99,86,292
Electrical Installation	26,02,663	-	-	26,02,663	2,08,53,563	1,94,465	2,10,48,027	17,71,60,334
Other Equipments	40,91,744	22,237	-	41,13,981	26,02,663	-	26,02,663	372,187
Furnitures & Fixtures	56,87,914	-	-	56,87,914	34,75,638	2,60,004	37,35,642	-
Vehicles (Cars)	48,47,212	115,373	38,700	56,49,214	21,52,159	5,40,352	26,73,796	3,78,339
Office Equipment	60,26,808	345,953	-	63,72,761	28,03,378	2,46,004	30,49,382	29,75,418
Computers	12,10,128	-	-	12,10,128	50,98,898	10,07,907	61,06,805	29,75,418
Tractors & Trailors	2,67,04,116	-	-	2,67,04,116	12,10,128	-	12,10,128	19,13,203
Transmission Lines	-	-	-	-	116,47,739	8,91,917	125,39,656	2,65,956
SUB TOTAL (A)	89,77,84,675	57,516,973	38,700	95,52,62,948	53,83,93,211	4,22,15,883	58,05,90,378	37,46,72,570
Intangible Assets								
ERP Software	24,13,704	-	-	24,13,704	6,03,096	4,82,741	1,085,837	1,327,867
SUB TOTAL (B)	24,13,704	-	-	24,13,704	6,03,096	4,82,741	1,085,837	13,27,867
Capital Work-in-progress								
SUB TOTAL (C)	5,27,71,187	-	5,27,71,187	-	-	-	-	-
Total [A + B + C]	95,29,69,566	57,516,973	5,28,09,887	95,76,76,652	53,89,96,307	4,26,98,624	58,16,76,215	37,60,00,437
(Current Year)	94,77,69,694	57,82,104	5,82,232	95,29,69,566	49,95,82,774	3,97,83,592	53,89,96,307	41,39,73,260
(Previous Year)	-	-	-	-	-	-	-	44,81,86,919

NOTES TO FINANCIAL STATEMENTS (Contd.)

	Particulars	30.06.2015 ₹	30.06.2014 ₹
2.11	NON CURRENT INVESTMENTS		
	Trade Investments - Unquoted Fully paid up		
	In Equity Shares of Other Related Entity - 25,500 Nos Indsil Energy & Electrochemicals Private Ltd. of ₹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 ₹15.35/- each. (Extent of holding - 51%)	3,36,56,300	3,36,56,300
	In Equity Shares of Joint Venture Company - 1267834 Nos. Al Tamman Indsil Ferro Chrome of 142.212 Omani Riyal - each (Extent of holding - 26.62%.)	18,03,01,790	18,03,01,790
	In Equity Shares of Wholly Owned Subsidiary - 150000 Nos. Indsil Hydro Global (FZE) of 1 AED each (Extent of holding - 100%)	25,72,500	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	21,86,80,590
2.12	LONG TERM LOANS & ADVANCES		
	Unsecured considered good		
	Other loans and advances (specify nature)		
	- Electricity Charges recoverable	5,31,11,594	5,31,11,594
	- Security deposits	2,63,25,484	2,06,36,151
	- Rental advances	21,24,080	13,14,080
	- Tax payment pending adjustments	7,01,44,404	7,85,04,555
	- Other Loans & advances	15,01,312	36,16,038
	Total	15,32,06,874	15,71,82,418
2.13	CURRENT INVESTMENTS		
	Other Investments		
	Investment in Mutual Funds		
	527 Units in DSP Blackrock Money Manager Fund (Previous year 498 units)	5,05,570	4,98,030
	Total	5,05,570	4,98,030



NOTES TO FINANCIAL STATEMENTS (Contd.)

Particulars		30.06.2015 ₹	30.06.2014 ₹
2.14	INVENTORIES		
	Raw materials and components	21,88,58,751	24,19,35,505
	Goods in transit	2,52,50,467	2,01,06,797
	Work-in-progress	-	25,42,326
	Finished goods	8,01,15,759	3,25,55,852
	Stores and spares	8,57,781	40,26,345
	Others		
	Consumables	3,74,712	4,85,292
	Packing materials	5,43,123	2,12,832
	Total	32,60,00,593	30,18,64,949
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	9,57,90,597	5,49,88,237
	Unsecured, considered good	-	40,35,074
	Total	(A) 9,57,90,597	5,90,23,311
	Subsidiary Company		
	- Sree Mahalakshmi Smelters Pvt Ltd.,	(B) 8,12,09,543	4,12,95,611
	Total (A+B)	17,70,00,140	10,03,18,922
2.16	CASH AND BANK BALANCES		
	Cash and Cash Equivalents		
	a) Balance with Banks - In Current Accounts	48,99,982	23,46,917
	b) Cash on hand	8,74,674	31,70,813
	c) Cheques on hand	1,64,49,253	1,45,04,237
	d) Fixed Deposits maturing within 3 months	51,03,845	97,41,079
	Other Bank Balances		
	a) Margin money	1,89,69,434	3,54,15,360
	b) Unclaimed Dividend	21,74,200	20,89,918
	Total	4,84,71,388	6,72,68,325



NOTES TO FINANCIAL STATEMENTS (Contd.)

Particulars	30.06.2015 ₹	30.06.2014 ₹
2.17 SHORT TERM LOANS & ADVANCES		
Loans and advances to related parties		
Unsecured, considered good		
- Unsecured Loan to subsidiary Company	7,63,05,842	7,63,05,842
Others		
Balance With Government Authorities	3,18,94,164	3,28,54,870
Unsecured, considered good		
- Advance to Trade suppliers	14,65,156	7,78,083
- Advance to employees	17,200	24,400
- Other Advance	17,38,50,744	10,40,13,812
Total	28,35,33,107	21,39,77,007
2.18 OTHER CURRENT ASSETS		
Export Incentives receivable	1,05,32,569	2,44,67,651
Total	1,05,32,569	2,44,67,651
2.19 REVENUE FROM OPERATIONS		
Sale of Products:		
- Smelter	104,38,75,009	113,57,59,878
- Power	20,51,64,934	17,34,23,198
- Sale of Raw Materials	8,77,68,652	1,82,09,131
	133,68,08,595	132,73,92,207
Less : Excise duty	(5,91,76,377)	(3,26,71,126)
	127,76,32,218	129,47,21,082
Interdivisional Sale of Power	(20,51,64,934)	(17,34,23,198)
Other Operating Income		
Export Incentives	3,88,31,646	4,20,18,267
	111,12,98,930	116,33,16,151
Detail of Revenue from operations		
Silico Manganese and Manganese Ore	107,24,67,284	112,12,97,884
Export Incentives	3,88,31,646	4,20,18,267
	111,12,98,930	116,33,16,151
2.20 OTHER INCOME		
Interest Income	86,11,503	82,13,472
Dividend from Current Investments	7,540	30,850
Dividend from Wholly Owned Subsidiary	2,54,13,390	-
Scrap sales	1,04,396	33,08,196
Income from RECs	7,56,41,497	6,51,78,000
Miscellaneous Income	1,33,51,998	3,89,641
Total	12,31,30,324	7,71,20,158

NOTES TO FINANCIAL STATEMENTS (Contd.)

Particulars	30.06.2015 ₹	30.06.2014 ₹
2.21 COST OF MATERIALS CONSUMED		
Consumption of Raw Materials		
Manganese Ore	35,44,09,128	32,50,64,253
Carbon reducers	14,33,73,262	17,20,85,654
Quartz	1,40,61,922	1,15,54,885
Carbon Paste	1,64,28,461	1,69,17,386
Ferro Manganese Slag	-	49,87,821
Others	4,19,060	13,97,940
Sub Total	52,86,91,833	53,20,07,940
Purchase of traded goods	20,00,29,903	13,94,92,872
Total	72,87,21,736	67,15,00,812

2.22 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS

	30.06.2015 ₹	30.06.2014 ₹	(Increase) / Decrease
Finished Goods: Opening Stock	3,25,55,852	4,84,59,784	(1,59,03,931)
Less: Closing Stock	(6,67,78,560)	(3,25,55,852)	(3,42,22,708)
Total (A)	(3,42,22,708)	1,59,03,931	(5,01,26,639)
Work-in-Progress : Opening Stock	25,42,326	26,47,134	(1,04,808)
Less: Closing Stock	-	(25,42,326)	25,42,326
Total (B)	25,42,326	1,04,808	24,37,518
Total (A+B)	(3,16,80,382)	1,60,08,739	(4,76,89,121)

2.23 OTHER MANUFACTURING EXPENSES

	30.06.2015 ₹	30.06.2014 ₹
Power & Fuel (Net)	10,32,47,701	17,23,22,979
Packing, Freight & Forwarding	4,05,98,968	4,26,38,580
Royalty	33,78,896	48,52,520
Total	14,72,25,565	21,98,14,079

Power & Fuel is net of Interdivisional sale of Hydro Power of ₹ 20,51,64,934/- (Previous year - ₹ 17,34,23,198/-) representing units supplied to the grid against which equivalent consumption was made in Smelter plant

2.24 EMPLOYEE BENEFITS EXPENSES

	30.06.2015 ₹	30.06.2014 ₹
Salaries and wages	6,05,89,279	5,22,48,225
Contribution to Provident Fund & other Funds	43,51,437	41,04,997
Employee compensation - ESOS amortisation	1,11,659	60,125
Provision for Gratuity	13,24,434	11,07,783
Staff welfare expenses	1,01,16,172	93,16,530
Total	7,64,92,981	6,68,37,659



NOTES TO FINANCIAL STATEMENTS (Contd.)

Particulars	30.06.2015 ₹	30.06.2014 ₹
2.25 FINANCE COSTS		
Interest expenses	4,51,12,371	2,84,28,190
Other Borrowing Costs	54,35,646	8,676,268
Total	5,05,48,016	3,71,04,458
2.26 DEPRECIATION AND AMORTIZATION EXPENSES		
Depreciation and amortization expenses	4,26,98,624	3,97,83,592
Total	4,26,98,624	3,97,83,592
2.27 OTHER EXPENSES		
Communication expenses	24,05,217	25,27,159
Commission to Other Directors	6,00,000	6,00,000
Directors Sitting Fees	1,95,500	2,19,000
Travelling expenses	45,29,310	38,41,609
Repairs & Maintenance :		
Plant & Machinery	1,64,63,159	1,39,55,689
Buildings & Others	70,29,318	54,14,056
Insurance expenses	28,93,943	13,91,640
Legal expenses	1,27,49,660	26,59,362
Professional charges	51,67,928	66,39,588
Security service charges	36,49,109	35,53,227
Printing and Stationery	8,66,411	7,93,853
Auditors Remuneration		
For Audit	6,68,800	3,73,750
Rent	27,14,635	24,96,250
Rates & Taxes	9,99,900	19,78,372
Subscription	8,91,792	7,78,378
Donation	30,32,698	32,01,651
Sales Promotion expenses	4,18,458	3,95,156
Sales Commission & Discount	1,20,63,200	1,34,95,411
Transportation charges	(1,28,919)	21,03,050
Exchange fluctuation (Net)	(1,75,41,890)	85,79,245
Loss on Sale of Assets	19,985	-
Miscellaneous expenses	1,06,61,129	37,53,289
Total	7,03,49,345	7,87,49,734
2.28 EARNING PER SHARE		
Basic EPS :		
Net Profit after Tax	12,14,67,372	10,85,88,026
Weighted average number of equity shares (Face value of ₹ 10 each)	1,58,86,792	1,58,86,792
Basic EPS (₹)	7.65	6.84
Diluted EPS (₹)	7.65	6.84



NOTES TO FINANCIAL STATEMENTS (Contd.)

I. SIGNIFICANT ACCOUNTING POLICIES

a) Accounting Convention :

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, 2013, to the extent applicable.

b) Use of Estimates

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 II of the Companies Act, 2013, except the useful life of the Plant and Machinery based on the technical evaluation. As per the technical evaluation, such useful life has been taken as 20 years.

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 or 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

- i) 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.
- ii) 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.
- iii) 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.



NOTES TO FINANCIAL STATEMENTS (Contd.)

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) 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.

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 the 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.

NOTES TO FINANCIAL STATEMENTS (Contd.)

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 profit and loss account 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 risk and benefits of ownership of the leased term, are classified as operating leases 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 30.6.2015 ₹	As at 30.6.2014 ₹
a) Letters of Credit issued by Banks on behalf of the Company	8,85,59,191	7,47,39,060
b) Guarantees issued by Banks on behalf of the Company	1,98,63,211	1,92,00,675
c) Corporate guarantees given in respect of term loans	33,85,07,074	33,50,55,838
d) 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 fora 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 fora where no provisions have been made and in cases where the Company has deposited sums/advances, pending judgements, it is expected that those sums would be refunded.		

**NOTES TO FINANCIAL STATEMENTS (Contd.)****2.30 DISCLOSURE ON "EMPLOYEE BENEFITS" AS PER AS 15:**

	30.6.2015	30.6.2014
	₹	₹
i) Defined Contribution Plans:		
Employers' Contribution to Provident and Other Funds	43,51,437	41,04,997
ii) Defined Benefit Plans (Non-Funded):		
	30.6.2015	30.6.2014
	₹	₹
Reconciliation of opening and closing balances of Defined Benefit obligations:		
Defined Benefit obligation at the beginning of the year	115,59,268	109,86,710
Interest cost	9,40,924	10,05,284
Current service cost	9,28,772	8,53,271
Benefits paid	-	-
Actuarial loss/(gain) on obligation	(6,34,695)	(12,85,997)
Defined Benefit obligation at the end of the year	<u>127,94,269</u>	<u>115,59,268</u>
Expenses recognised during the year in the Statement of Profit & Loss :		
Current service cost	9,28,772	8,53,271
Interest cost	9,40,924	10,05,284
Expected return on plan assets	-	-
Actuarial (gain)/loss	(6,34,695)	(12,85,997)
Expenses recognised in the Statement of Profit & Loss	<u>12,35,001</u>	<u>5,72,558</u>
Principal Actuarial Assumptions:		
Discount rate	8%	9%
Salary Escalation rate	7%	7%
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 30.06.15	As at 30.06.14	As at 30.06.13	As at 30.06.12
	₹	₹	₹	₹
Present Value of obligation	127,94,269	115,59,268	109,86,710	103,17,958
Plan Assets	-	-	-	-
Surplus / (Deficit)	127,94,269	115,59,268	109,86,710	103,17,958
Experience adjustments on plan Liabilities	(6,34,695)	(12,85,997)	(4,88,346)	28,19,595
Experience adjustments on plan assets	-	-	-	-



NOTES TO FINANCIAL STATEMENTS (Contd.)

2.31. SEGMENT REPORT	30.6.2015	30.6.2014
	₹	₹
Primary Segments (Business Segments)		
1. Segment Revenue		
a. Smelter	111,12,98,930	116,33,16,151
b. Hydro Power	20,51,64,934	17,34,23,198
	<u>131,64,63,864</u>	<u>133,67,39,349</u>
Less : Intersegment Revenue	20,51,64,934	17,34,23,198
Net Revenue	<u>111,12,98,930</u>	<u>116,33,16,151</u>
2 Segment Results		
(Profit / Loss before financial charges & tax)		
a. Smelter	(3,77,14,706)	(5,15,78,229)
b. Hydro Power	<u>23,83,28,550</u>	<u>19,92,89,074</u>
	20,06,13,844	14,77,10,845
Add / Less : Unallocable Income/Expenses	7,540	30,850
Operating Profit	20,06,21,384	14,77,41,694
Less : financial charges	5,05,48,016	3,71,04,458
Total Profit / (Loss) before Tax and extraordinary items	<u>15,00,73,368</u>	<u>11,06,37,236</u>
3 Capital Employed		
(Segment Assets - Segment Liabilities)		
a. Smelter	78,55,79,615	71,26,12,384
b. Hydro Power	<u>37,22,01,437</u>	<u>33,37,66,041</u>
	<u>115,77,81,051</u>	<u>104,63,78,424</u>

2.32 RELATED PARTY DISCLOSURES:

a) Subsidiary	: Sree Mahalakshmi Smelters Private Limited
b) Wholly Owned Subsidiary	: Indsil Hydro Global (FZE),
c) Other Related Entity	: Sunmet Holdings India P. Ltd, Indsil Energy and Electrochemicals Pvt. Ltd.
d) Key Management Personnel	: Sri. S.N.Varadarajan
	: Sri. Vinod Narsiman
	: Sri. S. Mahadevan (Company Secretary)
	: Sri. R. Murali (Chief Financial Officer)
e) Relatives of Key Management Personnel:	: Smt. D.Pushpa Varadarajan (W/o Sri S.N. Varadarajan)
f) Joint Venture	: Al-Tamman Indsil Ferro Chrome LLC

Particulars	Subsidiary	Joint Venture	Other Related Entity	Key Management Personnel	Relatives of Key Management Personnel
	₹	₹	₹	₹	₹
Current Year (30.6.2015)					
Sales of Raw Material	4,54,95,143	-	1,30,11,738	-	-
Purchase of Finished Goods	20,00,29,903	-	-	-	-
Sales of Finished Goods	-	-	3,04,68,832	-	-
Royalty paid	-	-	33,78,896	-	-
Rent paid	-	-	18,62,994	3,78,000	90,000
Directors' Sitting Fees	-	-	-	35,000	52,500
Managerial Remuneration	-	-	-	1,12, 66,704	1,00,000
Unsecured Loan granted to Subsidiary	7,63,05,842	-	-	-	-
Balances outstanding	8,39,07,383	48,43,479	9,66,96,311	(1,87,35,556)	-



NOTES TO FINANCIAL STATEMENTS (Contd.)

Particulars	Subsidiary	Joint Venture	Other Related Entity	Key Management Personnel	Relatives of Key Management Personnel
	₹	₹	₹	₹	₹
Previous Year (30.6.2014)					
Sales of Raw Material	1,82,09,130	10,90,890	52,25,000	-	-
Purchase of Finished Goods	8,56,97,109	-	5,37,95,763	-	-
Royalty paid	-	-	48,52,520	-	-
Rent paid	-	-	14,36,104	2,88,000	90,000
Directors' Sitting Fees	-	-	-	35,000	39,000
Managerial Remuneration	-	-	-	85,30,036	-
Unsecured Loan granted to Subsidiary	7,63,05,842	-	-	-	-
Balances outstanding	4,46,97,161	22,96,503	6,21,779	(1,16,31,599)	-

2.33 INVESTMENT IN MUTUAL FUNDS

	Balance as on 1.7.2014	Purchased/ Reinvested during the year	Redeemed during the year	Balance as on 30.6.2015
DSP Blackrock Money Manager Fund	4,98,030 498 Units	30,829 29 Units	- -	5,28,859 527 Units
Total (₹)	4,98,030	30,829	-	5,28,859

2.34 EXECUTIVE VICE - CHAIRMAN REMUNERATION

	As at 30.6.2015 ₹	As at 30.6.2014 ₹
Salary	6,00,000	6,00,000
Commission	41,36,724	35,93,018
Perquisites	72,000	72,000
	<u>48,08,724</u>	<u>42,65,018</u>

2.35. MANAGING DIRECTOR'S REMUNERATION

Salary	6,00,000	6,00,000
Commision	41,65,524	35,93,018
Perquisites	43,200	72,000
	<u>48,08,724</u>	<u>42,65,018</u>

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

Net Profit before Tax as per Statement of Profit & Loss	15,00,73,368	11,06,37,236
Add: Executive Vice - Chairman's Remuneration	48,08,724	42,65,018
Managing Director's Remuneration	48,08,724	42,65,018
Commission to Non-Executive Directors	6,00,000	60,00,00.00
Net Profit as per Section 198 of the Companies Act 2013	<u>16,02,90,816</u>	<u>11,97,67,272</u>



NOTES TO FINANCIAL STATEMENTS (Contd.)

	₹	₹
a) Commission payable to Executive Vice - Chairman - 3% of Net profits	48,08,724	35,93,018
b) Commission payable to Managing Director - 3% of Net profits	48,08,724	35,93,018
c) Commission payable to Non-Executive Directors -1% of Net profits subject to a maximum of ₹ 6,00,000/-	6,00,000	6,00,000
	30.6.2015	30.6.2014
	₹	₹
2.37 Value of imports (on CIF basis)		
Raw Materials	24,59,66,543	24,09,16,520
2.38 Expenditure in foreign currency:		
Travelling	5,95,667	7,24,081
Subscription & Others	2,84,558	83,309
2.39 Dividend in Foreign currency	2,54,13,390	-
2.40 Earnings in foreign exchange (on FOB basis)	80,05,50,200	82,86,18,689
2.41 Details of shares allotted under Employees' Stock Option Scheme :		

	As at 30.6.2015		As at 30.6.2014	
	Tranche 1	Tranche 2	Tranche 1	Tranche 2
Total number of shares allotted to ESOS Trust	64,500	18,500	64,500	18,500
Options exercised during 2009-10	16,125	-	16,125	-
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		4,000
Shares transferred from ESOS Trust	60,125	17,875	60,125	17,875
Balance unvested options	4,375	625	4,375	625

2.42 The Dividends proposed by the Board of Directors is subject to the approval of the share holders in the ensuing Annual General Meeting.

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	30.06.2015 (₹)	30.06.2014 (₹)
not later than one year	19,72,668	14,18,352
later than one year and not later than five years	89,27,567	64,18,956
later than five years	-	-

2.45 As of 30th June, 2015 the following are the details of Derivative contracts

Value of Forward Contract

₹

Unexpired Contract

- Export 3,56,36,667
- Import 13,87,89,371

**NOTES TO FINANCIAL STATEMENTS (Contd.)****2.46 Interest In Joint Venture**

The Company has entered into an agreement by which the Company is a party to a Joint Venture viz. AI - 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%

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	(13,19,88,277)	(4,63,92,003)
Non Current Liabilities	29,30,68,480	33,67,14,411
Current Liabilities	78,38,41,671	40,89,07,747
Fixed Assets (Net)	60,20,66,501	60,31,22,000
Current Assets	55,14,40,269	29,97,98,549
Statement of Profit and Loss		
Income	85,93,13,789	9,07,90,688
Expenses	89,49,98,096	12,15,88,685
Profit Before Tax	(3,56,84,308)	(3,07,97,997)
Provision of Taxes	-	-
Profit After Tax	(3,56,84,308)	(3,07,97,997)

Note: The audited accounts of AI-Tamman Indsil Ferro Chrome LLC., Joint Venture for the year ended 31st December, 2014 is based on the International Financial Reporting Standards (IFRS). For the purposes of consolidation with Indsil Hydro Power and Manganese Limited, certain expenses like project salaries/ electricity charges/ rent for the leased land for the factory under construction which have been charged-off in the Statement of Profit & Loss in the JV enterprises have been capitalised as pre-operative expenses (RO 10,10,978) in the consolidated financial statements as per Indian Accounting Standards as the same is specifically attributable to the Ferro Chrome Project.

As per our report of even date

For and on behalf of the Board

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

Sd/-
S.N. VARADARAJAN
Executive Vice-Chairman

Sd/-
VINOD NARSIMAN
Managing Director

Sd/-
K.R. RANGARAJAN
Partner
Membership No.224928

Sd/-
S. INDERCHAND
Director

Sd/-
S. MAHADEVAN
Company Secretary

Sd/-
R. MURALI
Chief Financial Officer

Place : Coimbatore
Date : 17th August, 2015

**CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH JUNE, 2015**

Particulars	Year ended 30.06.15 ₹	Year ended 30.06.14 ₹
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit / (loss) before tax	15,00,73,368	110,637,236
Adjustments for		
Interest Receipts	(86,11,503)	(82,13,472)
Dividend Income	(2,54,20,930)	30,850
Depreciation	4,26,98,624	3,97,83,592
Employee compensation - ESOS amortisation	1,11,659	60,125
Financial charges & Interest	5,05,48,016	3,71,04,458
Written off provision		
Profit/Loss on sale of assets	19,985	-
Provision for gratuity and Encashment of earned leave	13,24,434	11,07,783
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	21,07,43,653	18,04,48,872
Adjustments for changes in		
Inventories	(2,41,35,644)	(1,31,81,121)
Trade receivables	(7,66,82,048)	(2,31,96,151)
Other advances	(5,43,16,292)	(2,82,38,414)
Current liabilities	(4,60,78,120)	(40,04,934)
	-	-
Cash generated from operations	9,531,549	11,18,28,251
Income Tax Payments	(2,02,45,845)	(1,40,88,597)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	(1,07,14,296)	9,77,39,654
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(47,45,786)	(57,82,104)
Sale of Fixed Assets	830	2,12,169
Purchase of investments	-	(25,72,500)
Increase/Decrease in Investments	1,06,72,311	(79,65,752)
Interest received	8,611,503	8,213,472
Dividend Income	25,420,930	30,850
NET CASH FLOW FROM INVESTING ACTIVITIES (B)	3,99,59,788	(78,63,865)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of share capital	-	-
Repayment of Long term Borrowings	(3,38,22,918)	3,28,43,747
Increase in Long term Borrowings	5,00,00,000	
Increase in Short term Borrowings	1,79,49,390	(5,75,41,601)
Financial Charges & Interest	(5,05,48,016)	(3,71,04,458)
Payment of Dividend & Tax	(1,52,51,701)	(92,39,444)
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	(3,16,73,245)	(7,10,41,756)
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(24,27,752)	1,88,34,033
Cash and Cash Equivalents as on 1.7.2014 (Opening Balance)	3,02,61,076	1,14,27,043
Cash and Cash Equivalents as on 30.6.2015 (Closing Balance)	2,78,33,324	3,02,61,076
Note :		
Cash and cash equivalents included in the cash flow statement comprise the following Balance sheet amounts:		
Cash in Hand and balance with Banks	2,73,27,754	2,97,63,046
Short term Investments in debt based liquid funds	5,05,570	4,98,030
	2,78,33,324	3,02,61,076

As per our report of even date

For and on behalf of the Board

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

Sd/-
S.N. VARADARAJAN
Executive Vice-Chairman

Sd/-
VINOD NARSIMAN
Managing Director

Sd/-
K.R. RANGARAJAN
Partner
Membership No.224928

Sd/-
S. INDERCHAND
Director

Sd/-
S. MAHADEVAN
Company Secretary

Sd/-
R. MURALI
Chief Financial Officer

Place : Coimbatore
Date : 17th August, 2015



STATEMENT IN PURSUANCE OF SECTION 129 OF THE COMPANIES ACT, 2013:

Name of the Subsidiary Company : Sree Mahalakshmi Smelters Private Ltd

Financial of the Subsidiary ended on : 31st March, 2015

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 : ₹ (75,07,896/-)
b) for the previous financial year of the subsidiary Company : ₹ (1,89,35,898/-)

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

Disclosure of Information relating to Wholly Owned Subsidiary Company 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 Smelters Private Limited
2014-15
₹

a) Share Capital	4,29,18,570
b) Reserves & Surplus	(10,89,19,058)
c) Total Assets	40,42,57,026
d) Total Liabilities	47,02,57,514
e) Turnover	39,45,35,701
f) Details of Investment	-
g) Profit/(Loss) Before tax	(5,38,46,805)
h) Provision for taxation	3,91,25,441
i) Profit/(Loss) After tax	(1,47,21,364)
j) Proposed Dividend	-
k) Reporting currency	Indian Rupee (₹)

For and on behalf of the Board

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

Place : Coimbatore
Date : 17th August, 2015

STATEMENT IN PURSUANCE OF SECTION 129 OF THE COMPANIES ACT, 2013

1. Name of the Wholly Owned Subsidiary Indsil Hydro Global (FZE)
2. Financial of the Wholly Owned Subsidiary ended on 30th April, 2015
3. Holding Company's interest in the WOS 100% (1,50,000 Equity shares of AED 1/- each)
4. Net Aggregate amount of the Profit/(Loss) of the WOS and not dealt within the Holding Company's Accounts:
 - a) for the Current financial year of the Wholly Owned Subsidiary ₹ 3,27,98,301/-
 - b) for the previous financial year of the Wholly Owned Subsidiary ₹ 1,01,01,684/-
5. 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 Wholly Owned Subsidiary - Not Applicable
 - b) for the previous financial year of the Wholly Owned Subsidiary - Not Applicable

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 Wholly Owned Subsidiary	Indsil Hydro Global (FZE)
Subsidiary	2014-15
	₹
a) Share Capital	25,96,410
b) Reserves & Surplus	55,54,033
c) Total Assets	1,08,08,993
d) Total Liabilities	26,58,551
e) Turnover	3,42,14,747
f) Details of Investment	-
g) Profit/(Loss) Before tax	3,27,98,301
h) Provision for taxation	-
i) Profit/(Loss) After tax	3,27,98,301
j) Proposed Dividend	-
k) Reporting currency	Indian Rupee (₹)

For and on behalf of the Board

Sd/-
S.N. VARADARAJAN
Executive Vice - Chairman

Sd/-
VINOD NARSIMAN
Managing Director

Sd/-
S. IDERCHAND
Director

Sd/-
S. MAHADEVAN
Company Secretary

Sd/-
R. MURALI
Chief Financial Officer

Place : Coimbatore
Date : 17th August, 2015

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INDSIL HYDRO POWER AND MANGANESE LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated financial statements of **INDSIL HYDRO POWER AND MANGANESE LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its jointly controlled entity, comprising of the Consolidated Balance Sheet as at 30th June, 2015, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its Jointly controlled entity in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and its jointly controlled entity are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has an adequate internal financial controls system over financial reporting in place and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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, of the consolidated state of affairs of the Group and its Jointly controlled entity as at 30th June, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Other Matters

- (a) The consolidated financial statements also include the Group's share of net profit/(loss) of ₹ (0.408) crores for the year ended 30th June, 2015, as considered in the consolidated financial statements, in respect of ₹ (3.57) crores Joint controlled entity and of ₹ 3.16 crores Wholly Owned Subsidiary, whose financial statements have not been audited by us. The financial information have been audited by other auditors whose report have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and its Jointly controlled entity and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries, jointly controlled entity, are based solely on reports of other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditors' reports of the Holding company and subsidiary company, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors of the Holding Company and its subsidiary incorporated in India as on 30th June, 2015, taken on record by the respective entities, none of the Directors of the Group Companies incorporated in India are disqualified as on 30th June, 2015 from being appointed as a Director in terms of Section 164 (2) of the Act and in respect of the subsidiary company incorporated outside India in terms of Section 164(2) of the Act is not applicable.
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Consolidated Financial Statements disclose the impact of pending litigations on the consolidated financial position of the Group- Refer Note 7 to Annexure to Independent Auditors Report on Consolidated Financial Statement.
 - ii. The Company has Derivative contracts. Refer Note 2.36 to Consolidated Financial Statements.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.

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

Sd/-

K. R. Rangarajan, FCA,
Partner
Membership No. 224928

Coimbatore
17th August, 2015

**ANNEXURE TO INDEPENDENT AUDITORS' REPORT ON THE
CONSOLIDATED FINANCIAL STATEMENTS**

Our reporting on the order includes a subsidiary company incorporated in India, to which the Order is applicable, which have been audited by us and our report in respect of the entity is based on the report issued by us, to the extent considered applicable for reporting under the Order in the case of the consolidated financial statements.

In respect of Jointly controlled entity and Wholly Owned Subsidiary incorporated outside India, which have been included in the consolidated financial statements are based on the financial information of other auditors of such companies provided to us by the Management, whilst in our opinion, and according to the information and explanations given to us, reporting under the Order is applicable in respect of these entities.

The Annexure referred to in our report to the Members of M/s INDSIL HYDRO POWER AND MANGANESE LIMITED for the year ended 30th June, 2015. We report that

1. In respect of its Fixed Assets:
 - (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
 - (b) The fixed assets have been physically verified by the Management at reasonable intervals and no material discrepancies were noticed on such verification.
2. In respect of its inventories:
 - (a) The Management has carried out physical verification of inventory at reasonable intervals.
 - (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 is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
3. (a) The Company has granted unsecured loan, to Companies for ₹7.63 crores covered in the register maintained under Section 189 of the Companies Act, 2013, during the financial year.
 - (b) There are no overdue amounts of more than Rupees one lakh.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the Company and nature of its business for the purchase of inventory, fixed assets and also for the sale of goods and services. We have not observed any major weaknesses in internal control systems during the course of our audit.
5. The Company has not accepted any deposits from the public.
6. We have broadly reviewed the cost records maintained by the Company prescribed by the Central Government under sub section (1) of Section 148 of the Companies Act, 2013, as have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
7. According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, wealth tax, customs duty, excise duty, service tax, cess and other material statutory dues as applicable with the appropriate authorities in India.



According to the information and explanations given to us and the records of the Company examined by us, in our opinion, there is no disputed statutory dues including sales tax, income tax, wealth tax, excise duty, service tax and cess payable at the last day of financial year concerned for a period more than six months from the date they become payable.

Details of dues of Customs duty, as on 30th June, 2015 on account of disputes are given below:

Name of the Statute	Nature of Dues	Forum where the dispute is pending	Period to which the amount relates	Amount involved ₹
The Customs Act, 1962	Customs Duty	CESTAT	2012-2013	23,99,437
The Customs Act, 1962	Customs Duty	CESTAT	2013-2014	53,29,508

8. The Company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
9. 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 or bank as at the Balance Sheet date.
10. As per information and explanations given to us, the Company has given corporate guarantee for loans taken by its Subsidiary/Joint Venture/Associates from banks or financial Institutions during the year amounting to ₹33.85 crores.
11. 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.
12. 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 M/s. Raja & Raman
Chartered Accountants
Firm Registration No.003382S

Sd/-
K. R. Rangarajan, FCA,
Partner
Membership No. 224928

Coimbatore
17th August, 2015

**CONSOLIDATED BALANCE SHEET AS AT 30TH JUNE, 2015**

PARTICULARS	NOTE No.	As at 30.6.2015 ₹	As at 30.6.2014 ₹
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	62,42,23,853	61,80,77,040
(c) Minority interest			
		<u>78,30,91,773</u>	<u>77,69,44,960</u>
Non- current liabilities			
(a) Long-term borrowings	2.03	42,41,60,875	51,73,46,724
(b) Deferred Tax liabilities (Net)		2,53,25,539	2,81,75,672
(c) Other Long term liabilities	2.04	2,53,66,029	3,97,694
(d) Long-term Provisions	2.05	14,79,19,449	12,25,08,698
		<u>62,27,71,892</u>	<u>66,84,28,788</u>
Current Liabilities			
(a) Short term borrowings	2.06	85,21,46,988	41,00,72,898
(b) Trade payables	2.07	29,04,22,634	40,61,33,236
(c) Other current liabilities	2.08	24,76,88,419	14,93,24,188
(d) Short term provisions	2.09	1,91,50,697	6,05,35,319
		<u>140,94,08,737</u>	<u>102,60,65,641</u>
TOTAL		<u>281,52,72,402</u>	<u>247,14,39,389</u>
II ASSETS			
Non-current assets			
(a) Fixed assets			
(i) Tangible assets	2.10	112,54,64,106	112,21,19,211
(ii) Intangible assets		3,07,83,502	3,14,11,353
(iii) Capital work-in-progress		27,16,588	5,36,79,086
(iv) Intangible assets under development		-	-
(b) Non-current investments	2.11	21,50,000	21,50,000
(c) Deferred Tax asset (net)		6,64,93,082	2,74,38,957
(d) Long-term loans and advances	2.12	17,71,10,125	18,13,05,950
		<u>140,47,17,404</u>	<u>141,81,04,556</u>
Current assets			
(a) Current investments	2.13	5,05,570	4,98,030
(b) Inventories	2.14	78,25,80,733	58,00,58,228
(c) Trade receivables	2.15	21,70,58,729	9,01,38,574
(d) Cash and Cash equivalents	2.16	5,42,17,944	7,10,78,771
(e) Short-term loans and advances	2.17	30,30,08,229	24,26,13,050
(f) Other Current assets	2.18	5,31,83,792	6,89,48,180
		<u>141,05,54,998</u>	<u>105,33,34,833</u>
TOTAL		<u>281,52,72,402</u>	<u>247,14,39,389</u>
Significant Accounting Policies and Notes on Financial Statements	I & III 2.01 to 2.38		

As per our report of even date

For and on behalf of the Board

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

Sd/-
S.N. VARADARAJAN
Executive Vice-Chairman

Sd/-
VINOD NARSIMAN
Managing Director

Sd/-
K.R. RANGARAJAN
Partner
Membership No.224928

Sd/-
S. INDERCHAND
Director

Sd/-
S. MAHADEVAN
Company Secretary

Sd/-
R. MURALI
Chief Financial Officer

Place : Coimbatore
Date : 17th August, 2015

**CONSOLIDATED STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 30TH JUNE, 2015**

PARTICULARS	NOTE No.	Year ended 30.6.2015 (₹)	Year ended 30.6.2014 (₹)
I Revenue from operations	2.19	230,63,01,331	150,08,49,647
II Other Income	2.20	12,32,83,543	8,39,36,645
III Total Revenue (I + II)		<u>242,95,84,874</u>	<u>158,47,86,292</u>
IV Expenses :			
Cost of Materials Consumed	2.21	63,63,43,395	62,02,01,579
Purchases of Stock in Trade	2.22	76,62,98,212	13,94,92,872
Changes in inventories of finished goods, Work in progress	2.23	(12,50,61,999)	6,06,11,267
Manufacturing Expenses	2.24	66,56,31,879	40,60,50,653
Employee benefits expense	2.25	10,96,85,830	7,90,91,584
Finance Costs	2.26	10,70,46,797	7,30,35,790
Depreciation and amortization	2.27	9,30,67,067	7,01,15,897
Other expenses	2.28	12,11,66,775	9,58,91,695
Total Expenses		<u>237,41,77,956</u>	<u>154,44,91,336</u>
V Profit before exceptional and extraordinary items and tax		55,406,918	4,02,94,956
VI Extraordinary items		-	-
Profit before tax & Minority Interest		5,54,06,918	4,02,94,956
Add: Profit / (loss) attributable to Minority Interest		-	-
VII Profit before tax		5,54,06,918	4,02,94,956
VIII Tax expense:	2.29		
(1) Current tax		5,01,98,622	2,21,36,089
(2) Deferred tax		(4,19,75,574)	(1,04,67,545)
(3) MAT Credit Entitlement		(1,87,42,494)	(2,21,36,089)
		<u>(1,05,19,446)</u>	<u>(1,04,67,545)</u>
IX Profit/(loss) for the period		<u>6,59,26,364</u>	<u>5,07,62,500</u>
X Earnings per equity share:	2.30		
(1) Basic		4.15	3.20
(2) Diluted		4.15	3.20
Significant Accounting Policies and Notes on Financial Statements	I & III 2.01 to 2.38		

As per our report of even date

For and on behalf of the Board

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

Sd/-
S.N. VARADARAJAN
Executive Vice-Chairman

Sd/-
VINOD NARSIMAN
Managing Director

Sd/-
K.R. RANGARAJAN
Partner
Membership No.224928

Sd/-
S. INDERCHAND
Director

Sd/-
S. MAHADEVAN
Company Secretary

Sd/-
R. MURALI
Chief Financial Officer

Place : Coimbatore
Date : 17th August, 2015

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2015

Particulars	As at 30.06.2015 ₹	As at 30.06.2014 ₹
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>

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	30.06.2015		30.06.2014	
	Number of shares	Value (in ₹)	Number of shares	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	30.06.2015		30.06.2014	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding
Sunmet Holdings India Private Limited	55,18,252	34.73%	55,18,252	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	Value (in ₹)
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, 2015 (Contd.)
2.02 RESERVES & SURPLUS

Particulars	As at 30.06.2015 ₹	As at 30.06.2014 ₹
Securities Premium Account :		
Opening balance	96,92,956	94,04,356
Add: Credit on Excise of ESOS Shares during the year (No. of shares issued : 4,625 shares @ ₹ 62.40)	-	2,88,600
Closing balance	96,92,956	96,92,956
General Reserves :		
Opening balance	12,67,60,003	12,67,60,003
Add: Additions During the year	-	-
Closing balance	12,67,60,003	12,67,60,003
Others :		
State Investment Subsidy	-	-
Surplus :		
Opening balance	47,08,97,655	44,30,11,753
(+) Net Profit/(Net Loss) For the current year	6,59,26,364	5,07,62,500
(+) Loss attributable to Minority Interest (to the extent available)	-	-
(+) Adjustments for Dividend	2,54,13,390	-
(-) Proposed Dividends	(1,90,64,150)	(1,90,64,150)
(-) Tax on Proposed Dividend*	38,12,449	(38,12,449)
Closing balance	54,69,85,707	47,08,97,655
- ESOS Outstanding (Net of Unamortised Deferred Employee Compensation)	-	-
Exchange Fluctuation reserve	(5,92,14,812)	1,07,26,427
Closing Balance	62,42,23,853	61,80,77,040

* The tax on dividend was provided in the year 2013-14, the same is reversed and this amount is set-off against tax on dividend due to dividend received from foreign subsidiary.(viz) Indsil Hydro Global (FZE). This amount of ₹38,12,449 is transferred back to surplus account.

2.03 LONG TERM BORROWINGS

	As at 30.06.2015 ₹	As at 30.06.2014 ₹
Secured :		
Term loans		
- Rupee Term Loans from Banks	13,53,21,676	13,85,63,313
- Foreign Currency Term Loans	26,77,02,452	35,34,72,963
ECB from Standard Chartered Bank, London	-	-
Unsecured :		
Loans & Advances from Related Parties		
- Indsil Hydro Power & Manganese Ltd	24,30,599	66,04,288
- Indsil Energy and Electrochemicals Pvt Ltd	1,87,06,148	1,87,06,159
Total	42,41,60,875	51,73,46,724

ECB loan of 3,75,000 USD outstanding in Standard Chartered Bank is repayable in 4 equal quarterly installments 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 Crore Rupee term loan from Export Import Bank of India repayable in 16 equal quarterly installments. The loan is secured by way of pari passu first charge on the entire movable and immovable fixed assets of the Company and second pari passu charge on the entire current assets of the Company.

The Company has availed 5 Crore Rupee term loan from Yes Bank during the year 2014 repayable in 12 equal quarterly installments. The loan is secured by way of first pari passu charge on entire fixed assets and second pari passu on the current assets of the Company.

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2015 (Contd.)

Particulars	As at 30.06.2015 ₹	As at 30.06.2014 ₹
2.04 OTHER LONG TERM LIABILITIES		
Finance Lease Liability	2,41,95,250	3,97,694
End of service	11,70,779	-
Total	2,53,66,029	3,97,694
2.05 LONG TERM PROVISIONS		
Provision for Employee Benefits :		
- Provision for Gratuity	1,27,94,269	1,15,59,268
- Electricity Charges	12,13,80,415	11,09,49,430
Interest Payable	1,37,44,765	-
Total	14,79,19,449	12,25,08,698
2.06 SHORT TERM BORROWINGS		
Secured :		
From Banks		
- Rupee Loan	26,60,62,893	20,45,40,703
- Foreign Currency Loan	58,60,84,095	20,55,32,195
Loan repayable on demand	-	-
Total	85,21,46,988	41,00,72,898
<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 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 carries interest LIBOR plus 60 BPS to LIBOR plus 150 BPS.</p>		
	As at 30.06.2015 ₹	As at 30.06.2014 ₹
2.07 TRADE PAYABLES		
Dues to Micro, Small and Medium Enterprises	-	-
Dues to others	29,04,22,634	40,61,33,236
Total	29,04,22,634	40,61,33,236
2.08 OTHER CURRENT LIABILITIES		
Advance from Customers	62,79,317	10,48,858
Unpaid Dividend	21,74,200	20,89,918
Accrued Employee benefits	98,49,356	1,79,56,888
Statutory liabilities	25,12,978	1,20,37,200
Current Portion of Long Term Borrowings/Lease Liability	12,58,39,029	7,17,46,376
Accruals	-	78,64,609
Bank Over draft	-	3,58,64,054
Other payables	10,10,33,538	7,16,286
Total	24,76,88,419	14,93,24,188
2.09 SHORT TERM PROVISIONS		
Employee benefits payable	-	5,57,134
Other Short Term provisions	86,547	3,71,01,586
Proposed Dividend & Corporate Dividend Tax on proposed Dividend	1,90,64,150	2,28,76,599
Total	1,91,50,697	6,05,35,319

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2015 (Contd.)

2.10 FIXED ASSETS

Particulars	Gross Block			Depreciation		Net Block	
	Cost as on 1.7.2014	Additions during the year	Deletions	Cost as on 30.6.2015	Upto 30.6.2014	For the period	Upto 30.6.2015
							As at 30.6.2015
							As at 30.6.2014
Tangible Assets							
Land	3,47,07,105	-	-	3,47,07,105	-	-	3,47,07,105
Building	34,14,04,150	-	-	34,14,04,150	14,37,05,789	1,13,75,223	18,63,23,138
Plant and Machinery	123,99,43,429	8,25,94,105	35,64,780	131,89,72,755	38,71,91,247	7,66,26,269	19,76,98,361
Electrical Equipment	7,18,54,878	5,20,145	-	7,23,75,023	3,69,49,743	23,66,818	85,51,55,239
Vehicles	83,75,434	21,25,230	10,60,002	94,40,663	37,46,454	9,28,492	3,30,58,462
Office Equipments	2,17,42,545	26,07,201	-	2,43,49,746	1,51,26,073	26,91,719	3,49,03,005
SUB TOTAL (A)	171,80,27,542	8,78,46,681	46,24,781	180,12,49,442	58,67,19,305	3,57,295	96,88,208
Capital Work-in-progress	5,36,79,086	19,90,269	5,27,71,187	28,98,168	-	-	65,31,954
SUB TOTAL (B)	5,36,79,086	19,90,269	5,27,71,187	28,98,168	-	1,81,580	112,54,64,106
Intangible Assets							
ERP Software	24,13,704	-	-	24,13,704	6,03,096	4,82,741	13,27,867
Goodwill on Consolidation	2,94,79,545	-	-	2,94,55,635	-	-	2,94,55,635
SUB TOTAL (C)	3,18,93,249	-	-	3,18,69,339	6,03,096	4,82,741	3,07,83,502
Total [A + B + C+]	180,35,99,877	8,98,36,950	5,73,95,968	183,60,16,949	58,73,22,401	9,46,52,841	115,89,64,197
							120,72,09,650

CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2015 (Contd.)

Particulars	As at 30.06.2015 ₹	As at 30.06.2014 ₹
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
1,50,500 fully paid-up equity shares of ₹10/- each in Malayalam Communications Ltd.	15,75,000	15,75,000
25,500 fully paid up equity shares of Rs.10/- each in Indsil Energy & Electrochemicals Private Limited (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	2,26,10,086	2,25,86,686
Unsecured considered good		
Advance for Capital Expenses & Purchases		
Other loans and advances		
- Electricity charges recoverable	5,31,11,594	5,31,11,594
- Security Deposits	2,63,25,484	2,06,36,151
- Other Loans & Advances	27,94,477	51,52,884
- Rental Advances	21,24,080	13,14,080
- Tax Payment Pending Adjustments	7,01,44,404	7,85,04,555
- MAT Credit Entitlement	-	-
Total	17,71,10,125	18,13,05,950
2.13 CURRENT INVESTMENTS		
Investment in Mutual Funds		
DSP Blackrock Money Manager Fund	5,05,570	4,98,030
Total	5,05,570	4,98,030

**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2015 (Contd.)**

Particulars	As at 30.06.2015 ₹	As at 30.06.2014 ₹
2.14 INVENTORIES		
Raw materials and components	40,74,84,018	35,04,71,279
Goods in Transit	2,52,50,467	2,01,06,797
Work-in-progress	5,99,14,651	6,08,57,763
Finished goods	28,62,05,183	14,03,47,428
Stores and spares	28,08,579	75,76,838
Consumables	3,74,712	4,85,292
Packing materials	5,43,123	2,12,832
Total	78,25,80,733	58,00,58,228
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	21,52,37,877	7,97,07,618
Unsecured, considered good	18,20,852	24,13,680
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	-	2,11,934
Unsecured, considered good	-	-
Other Receivables	-	78,05,341
Total	21,70,58,729	9,01,38,574
2.16 CASH AND CASH EQUIVALENTS		
Balances with banks :		
a) In Current Accounts	93,16,278	45,66,185
b) In Fixed Deposits	51,03,845	1,00,60,564
c) Earmarked Balances- Unpaid Dividend	21,74,200	20,89,918
d) Margin money	1,89,69,434	3,54,15,360
Bank deposits with more than 12 months maturity	-	-
Cheques on hand	1,64,49,253	1,45,04,237
Cash on hand	22,04,935	44,42,507
Total	5,42,17,944	7,10,78,771
2.17 SHORT TERM LOANS AND ADVANCES		
Loans and advances to related parties :		
Unsecured, considered good		
- Unsecured Loan	-	78,59,806
- Advance for Expenses	-	43,378
Others :		
Balance With Revenue Authorities	9,66,19,940	4,22,75,676
Unsecured, considered good :		
- Advance for Expenses and Purchases	14,65,156	7,78,083
- Advance for Purchases	2,88,06,085	4,80,87,857
- Staff Advance	17,200	24,400
- Other Advances	17,45,23,087	14,20,04,960
- Advance for Expenses	-	6,09,078
- Prepaid Expenses	15,76,761	9,29,812
Total	30,30,08,229	24,26,13,050
2.18 OTHER CURRENT ASSETS		
Export Incentives receivable	1,05,32,569	2,44,67,651
Preliminary Expenses (Pre-Operative Expenses)	4,26,51,223	4,44,80,528
Total	5,31,83,792	6,89,48,180

**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2015 (Contd.)**

Particulars	As at 30.06.2015 ₹	As at 30.06.2014 ₹
2.19 REVENUE FROM OPERATIONS		
Sale of Products:		
- Smelter	139,95,33,791	1,38,83,62,172
- Power	20,51,64,934	17,34,23,198
- Other	85,74,17,316	9,07,57,223
Excise duty	(8,22,49,326)	(4,49,69,243)
Sales of Raw material	8,77,68,652	1,82,09,131
Interdivisional Sale of Power	(20,51,64,934)	(17,34,23,198)
Other Operating Income		
Export Claims	4,38,30,897	4,84,90,364
Total	230,63,01,331	150,08,49,647
2.20 OTHER INCOME		
Interest Income	1,06,38,914	36,89,548
Dividend Income	7,540	30,850
Profit on Sale of Assets	1,64,941	78,307
Scrap sales	18,23,180	33,08,196
Income from REC's	7,56,41,497	6,51,78,000
Discount	12,659	-
Other non-operating income	3,49,94,812	1,16,51,745
Total	12,32,83,543	8,39,36,645
2.21 COST OF MATERIALS CONSUMED		
Consumption of raw materials	63,63,43,395	62,02,01,579
Total	63,63,43,395	62,02,01,579
2.22 PURCHASE OF STOCK-IN-TRADE		
Purchase of Stock-in-Trade	76,62,98,212	13,94,92,872
Total	76,62,98,212	13,94,92,872
2.23 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS		
Finished Goods: Opening Stock	14,09,47,248	14,05,61,376
Less: Closing Stock	(26,69,62,907)	(8,00,54,916)
(A)	(12,60,15,659)	6,05,06,459
Work-in-Progress : Opening Stock	5,86,69,808	26,47,134
Less: Closing Stock	(5,77,16,148)	(25,42,326)
(B)	9,53,660	1,04,808
Total (A+B)	(12,50,61,999)	6,06,11,267
2.24 MANUFACTURING EXPENSES		
Power & Fuel (Net)	47,58,04,339	33,50,49,486
Packing, Freight & Forwarding	10,22,76,079	5,33,08,223
Consumables & Stores	3,46,54,519	-
Direct Contractual Wages	16,44,500	1,13,37,321
Rent	1,19,83,050	-
Ore crushing charges	82,49,535	-
Repairs and Maintenance	1,27,40,961	15,03,104
Royalty	33,78,896	48,52,520
Total	66,56,31,879	40,60,50,653

**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2015 (Contd.)**

Particulars	As at 30.06.2015 ₹	As at 30.06.2014 ₹
2.25 EMPLOYEE BENEFITS EXPENSE		
Salaries and wages	9,19,29,250	5,98,99,018
Contribution to Provident Fund and other funds	43,51,437	43,65,338
Employee compensation - ESOS amortisation	1,11,659	60,125
Provision for Gratuity	13,24,434	11,07,783
Staff welfare expenses	1,19,69,050	1,36,59,320
Total	10,96,85,830	7,90,91,584
2.26 FINANCE COSTS		
Interest expense	8,96,32,518	5,31,71,518
Other borrowing costs	1,74,14,279	1,98,64,272
Total	10,70,46,797	7,30,35,790
2.27 DEPRECIATION		
Depreciation	9,30,67,067	7,01,15,897
Total	9,30,67,067	7,01,15,897
2.28 OTHER EXPENSES		
Communication Expenses	31,62,669	30,68,213
Commission to Directors	6,00,000	6,00,000
Discount Allowed & Slag deductions	10,58,400	-
Freight Outwards	1,29,51,361	-
Travelling Expenses	61,01,669	62,52,926
Repairs & Maintenance :		
Plant & Machinery	1,78,27,000	1,55,15,076
Building & Others	71,48,683	57,12,538
Insurance Expenses	45,28,092	22,44,767
Legal Expenses	1,34,37,464	31,51,034
Professional Charges	83,34,051	75,40,933
Security service charges	48,23,385	46,94,452
Printing and Stationery Expenses	9,38,804	9,69,876
Auditors Remuneration	11,23,873	3,73,750
Rent	44,54,946	38,20,248
Rates & Taxes	11,42,715	27,52,048
Advertisement & Publicity	1,02,481	1,01,352
Subscription & Donation	15,51,977	42,78,221
Sitting Fees	11,65,868	4,21,703
Sales Promotion expenses	95,39,509	15,45,619
Sales Commission	1,66,37,733	1,43,32,681
Transportation Charges	9,74,086	37,60,478
Testing & Sampling Fees	21,48,435	-
General Expenses	22,34,382	8,69,395
Donation	30,32,698	-
Office and Computer Maintenance	1,32,700	-
Exchange Fluctuation(Net)	(1,63,88,638)	85,79,245
Loss on sale of Assets	19,985	-
Miscellaneous Expenses	1,23,82,447	53,07,140
Total	12,11,66,775	9,58,91,695
2.29 CURRENT & DEFERRED TAX		
Current tax	5,01,98,622	2,21,36,089
Deferred tax	(4,19,75,574)	(1,04,67,545)
MAT Credit Entitlement	(1,87,42,494)	(2,21,36,089)
Total	(1,05,19,446)	(1,04,67,545)

**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2015 (Contd.)**

Particulars	30.06.2015 ₹	30.06.2014 ₹	30.06.2013 ₹
2.30 EARNINGS PER SHARE			
Profit After Tax	6,59,26,364	5,07,62,500	(2,00,67,071)
Equity share of ₹ 1 each	1,58,86,792	1,58,86,792	1,58,86,792
Basic & Diluted Earnings per share	4.15	3.20	(1.26)
No. of shares outstanding - Basic & Diluted	1,58,86,792	1,58,86,792	1,58,86,792

2.31 THE SUBSIDIARY COMPANY/JOINT VENTURE, WHOLLY OWNED CONSIDERED IN THE CONSOLIDATED FINANCIAL STATEMENTS:

Name of the Company	Country of Incorporation	"Subsidiary/ Joint Venture"	% of Ownership
Sree Mahalakshmi Smelters Private Limited	India	Subsidiary	51%
Al-Tamman Indsil Ferro Chrome LLC (JV)	Sultanate of Oman	Joint Venture	26.62%
Indsil Hydro Global (FZE)	Sharjah Airport International Freezone (SAIF), UAE	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 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	(13,19,88,277)	(67,49,716)
Non Current Liabilities	29,30,68,480	12,84,89,431
Current Liabilities	78,38,41,671	1,02,46,634
Fixed Assets (Net)	60,20,66,501	22,17,56,118
Current Assets	55,14,40,269	15,16,557
Statement of Profit and Loss:		
Income	85,93,13,789	-
Expenses	89,49,98,096	49,46,876
Profit Before Tax	(3,56,84,308)	(49,46,876)
Provision for Taxes	-	-
Profit After Tax	(3,56,84,308)	(49,46,876)

Note: The audited accounts of Al-Tamman Indsil Ferro Chrome LLC., Joint Venture for the year ended 31st December, 2014 is based on the International Financial Reporting Standards (IFRS). For the purposes of consolidation with Indsil Hydro Power and Manganese Limited, certain expenses like project salaries/ electricity charges/ rent for the leased land for the factory under construction which have been charged-off in the Statement of Profit & Loss in the JV enterprises have been capitalised as pre-operative expenses (OMR 10,10,978) 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, 2015 (Contd.)

2.33 Related Party Transactions with whom transactions have taken place during the year 2014-15 and relationship:

- a) Related Entities Sunmet Holdings India P. Ltd, Indsil Energy and Electrochemicals Pvt. 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	Related Entities	Key Management Personnel	Relatives of Key Management Personnel
<u>Current Year - (30.06.2015)</u>			
Purchase of Raw Materials	-	-	-
Sale of Finished Goods	3,04,68,832	-	-
Sale of Raw Materials	1,30,11,738	-	-
Royalty paid	33,78,896	-	-
Rent paid	18,62,994	3,78,000	90,000
Directors' Sitting Fees	-	35,000	52,500
Managerial Remuneration	-	1,12,66,704	1,00,000
Balances outstanding	9,66,96,311	(1,87,35,556)	-
<u>Previous Year- (30.6.14)</u>			
Sale of Raw Materials	52,25,000	-	-
Royalty paid	4,85,2,520	-	-
Rent paid	14,36,104	2,88,000	-
Sitting Fees	-	35,000	90,000
Managerial Remuneration	-	85,30,036	39,000
Balances outstanding	6,21,779	(1,16,31,599)	-

2.34 SEGMENT INFORMATION

Primary Segments (Business Segments)	As at 30.06.2015 ₹	As at 30.06.2014 ₹
1. Segment Revenue		
a) Smelter	150,38,07,220	148,01,17,586
b) Hydro Power	20,51,64,934	17,34,23,198
	170,89,72,154	165,35,40,784
Less : Intersegment Revenue	20,51,64,934	17,34,23,198
Net Revenue :	150,38,07,220	148,01,17,586
2. Segment Results :		
(Profit / Loss before financial charges & tax)		
a) Smelter	45,452,274	(59,520,229)
b) Hydro Power	23,83,28,550	19,92,89,074
	28,37,80,824	13,97,68,845

**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2015 (Contd.)**

	30.06.2015 ₹	30.06.2014 ₹
Add / Less : Unallocable Income/Expenses	7,540	30,850
Operating Profit	28,37,88,364	13,97,99,695
Less : Financial charges	8,05,40,111	6,87,06,742
Total Profit / (Loss) before Tax & extraordinary items and Minority Interest	20,32,48,253	7,10,92,953
Add : Minority Interest	-	-
Total Profit/(Loss) before Tax	20,32,48,253	7,10,92,953
3. Capital Employed : (Segment Assets - Segment Liabilities)		
a) Smelter	74,29,81,279	10,55,25,219
b) Hydro Power	37,22,01,437	98,88,98,157
	111,51,82,717	109,44,23,376

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	30.06.2015 ₹	30.06.2014 ₹
not later than one year	14,89,272	14,18,352
later than one year and not later than five years	67,39,896	64,18,956
later than five years	-	-

2.36 As of 30th June, 2015 the following are the details of Derivative contracts

Value of Forward Contract

₹

Unexpired Contract

- Export	3,56,36,667
- Import	13,87,89,371

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

2.38 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, 2015" as given in the stand alone Financial Statements of Indsil Hydro Power and Manganese Limited.

As per our report of even date

For and on behalf of the Board

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

Sd/-
S.N. VARADARAJAN
Executive Vice-Chairman

Sd/-
VINOD NARSIMAN
Managing Director

Sd/-
K.R. RANGARAJAN
Partner
Membership No.224928

Sd/-
S. INDERCHAND
Director

Sd/-
S. MAHADEVAN
Company Secretary

Sd/-
R. MURALI
Chief Financial Officer

Place : Coimbatore
Date : 17th August, 2015



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

I. Principles of consolidation :

- A. The consolidated financial statements relate to Indsil Hydro Power and Manganese Limited ("the Company") and its subsidiary company and joint venture and Wholly Owned Subsidiary. The Consolidated financial statements have been prepared on the following basis:
- The financial statements of the Company and its subsidiary company is 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 2 Clause(2) of the Companies Act, 2013
 - Interests in Joint venture have been accounted by using the proportionate consolidation method as per Accounting Standard (AS) 27 - "Joint Ventures".
 - The difference between the cost of investment in the subsidiaries over the net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statements as Goodwill or Capital Reserve as the case may be.
 - 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.
- B. Investments other than in subsidiaries and joint venture have been accounted as per Accounting Standard 13 on Accounting for Investments.

II. 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.

As per our report of even date

For and on behalf of the Board

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

Sd/-
S.N. VARADARAJAN
Executive Vice-Chairman

Sd/-
VINOD NARSIMAN
Managing Director

Sd/-
K.R. RANGARAJAN
Partner
Membership No.224928

Sd/-
S. INDERCHAND
Director

Sd/-
S. MAHADEVAN
Company Secretary

Sd/-
R. MURALI
Chief Financial Officer

Place : Coimbatore
Date : 17th August, 2015

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30TH JUNE, 2015**

Particulars	Year ended 30.06.15 ₹	Year ended 30.06.14 ₹
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit / (loss) before tax	5,54,06,918	4,02,94,956
Adjustments for		
Interest Receipts	(1,06,38,914)	(36,89,548)
Income from Mutual Funds	(7,540)	(30,850)
Depreciation	9,30,67,067	7,01,15,897
Employee compensation - ESOS amortisation	1,11,659	60,125
Financial charges & Interest	10,70,46,797	7,30,35,790
Profit/Loss on sale of assets	(1,44,956)	(78,307)
Provision for gratuity and Encashment of earned leave	13,24,434	11,07,783
Bad Debts	-	-
Other non operating income	(3,49,94,812)	(1,16,51,745)
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	21,11,70,653	16,91,64,100
Adjustments for changes in		
Inventories	(20,25,22,505)	(13,98,25,133)
Trade receivables	(20,81,29,698)	(5,10,78,527)
Other advances	(6,03,95,179)	(9,60,11,712)
Other Current assets	15,764,388	(4,89,91,639)
Current liabilities	2,62,90,998	36,78,56,197
Cash generated from operations	(21,78,21,344)	20,11,13,286
Income Tax Payments	83,60,151	(1,40,88,597)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	(20,94,61,193)	18,70,24,689
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(8,98,36,950)	(99,23,43,441)
Sale of Fixed Assets	5,71,83,629	62,35,12,441
Purchase of investments	-	-
Interest received	1,06,38,914	36,89,548
Income from Mutual Funds	7,540	30,850
Other non operating income	3,49,94,812	1,16,51,745
NET CASH FLOW FROM INVESTING ACTIVITIES (B)	1,29,87,945	(35,34,58,858)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of share capital	-	-
Repayment of Long term borrowings	-	-
Decrease in Long term Loan & Advances	(41,64,326)	46,15,910
Increase in Long term Borrowings	(6,82,17,515)	20,92,95,920
Increase in Short term Borrowings	44,20,74,090	62,97,663
Increase in Long term Provisions	2,54,10,751	53,88,530
Financial Charges & Interest	(10,70,46,797)	(7,30,35,790)
Payment of Dividend & Tax	(2,28,76,599)	(92,93,376)
FCTR Movements	(8,55,59,643)	5,92,66,296
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	17,96,19,962	20,25,35,154
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(1,68,53,285)	3,61,00,985
Cash and Cash Equivalents as on 1.07.2014 (Opening Balance)	7,15,76,801	3,54,75,816
Cash and Cash Equivalents as on 30.06.2015 (Closing Balance)	5,47,23,516	7,15,76,801
Note :		
Cash and cash equivalents included in the cash flow statement comprises the following Balance sheet amounts:		
Cash in Hand and balance with Banks	5,42,17,945	7,10,78,771
Short term Investments in debt based liquid funds	5,05,570	4,98,030
	5,47,23,516	7,15,76,801

As per our report of even date

For and on behalf of the Board

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

Sd/-
S.N. VARADARAJAN
Executive Vice-Chairman

Sd/-
VINOD NARSIMAN
Managing Director

Sd/-
K.R. RANGARAJAN
Partner
Membership No.224928

Sd/-
S. INDERCHAND
Director

Sd/-
S. MAHADEVAN
Company Secretary

Sd/-
R. MURALI
Chief Financial Officer

Place : Coimbatore
Date : 17th August, 2015

**INDSIL****INDSIL HYDRO POWER AND MANGANESE LIMITED**

Corporate Identification No. (CIN) L27101TZ1990PLC002849

Registered Office : "Indsil House" T.V.Samy Road (West), R.S.Puram, Coimbatore - 641 002

Phone : 91 422 4522922, 3 Fax : 91 422 4522925 e-mail : indsilho@indsil.com / Website : www.indsil.com

**ELECTRONIC CLEARING SERVICE (CREDIT CLEARING)
MANDATE FORM FOR PAYMENT OF DIVIDEND**

To

S.K.D.C CONSULTANTS LTD

"Kanapathy Towers" 3rd Floor ,
1391/A-1 Sathy Road, Ganapathy, Coimbatore 641 006
Ph : 0422 6549995, 2539835/6
email : info@skdc-consultants.com

Shareholder's authorisation to receive dividends through Electronic Credit Clearing Mechanism

Registered Folio No :	ECS Ref. No. : (for Office use only)
Name of the first / sole shareholder	
Bank Name	
Branch Address & Telephone No. of Branch	
Bank Account Number (As appearing on the Cheque Books)	
9 digit code number of the Bank and Branch appearing on the MICR cheque issued by the Bank (Please attach a blank cancelled cheque, or a photocopy (Xerox copy) of a cheque issued to you by your Bank, for verification of the above particulars).	
Account Type (Please tick the option)	<input type="checkbox"/> Savings <input type="checkbox"/> Current <input type="checkbox"/> Cash Credit
Bank Account Ledger Folio No. (if any)	
Effective date of this mandate	

I hereby, declare that the particulars given above are correct and complete. If the payment transaction is delayed or not effected at all for any reasons, including but not limited to incomplete or incorrect information, I will not hold M/s Indsil Hydro Power and Manganese Limited responsible. I agree to discharge the responsibility expected of me as a participant under the scheme.

I, further undertake to inform the Company of any subsequent change(s) in the above particulars.

Place : Name of First Holder :

Date : Signature of First Holder :

Note :

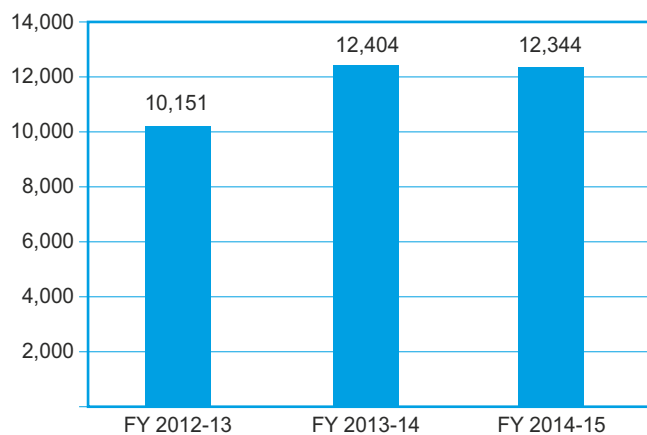
1. Please fill in the information in CAPITAL LETTERS in ENGLISH ONLY.
2. In case of shareholders holding the equity shares in demat form, the shareholders are requested to provide details to their respective Depository participants. Shareholders are also requested to note that changes, if any, intimated by the Demat Account Holders directly to the Company will not be considered.



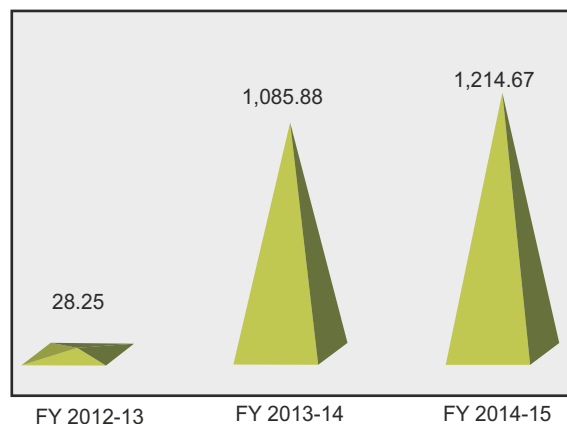
KEY FINANCIAL INDICATORS

INDSIL HYDRO POWER AND MANGANESE LIMITED (Standalone)

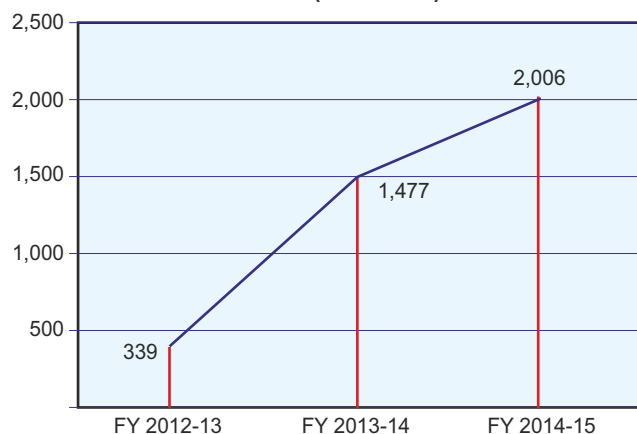
Gross Revenue (₹ in Lakhs)



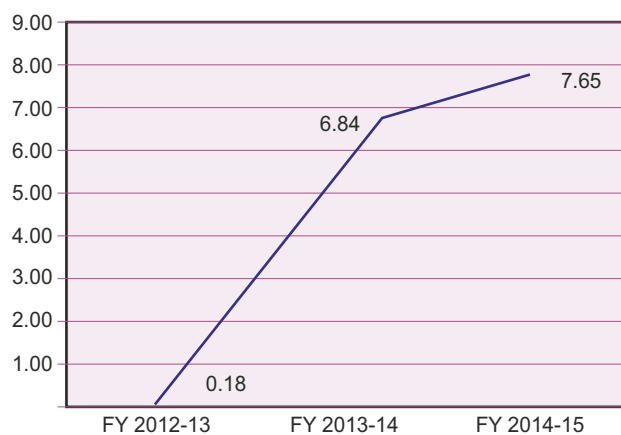
Profit After Tax (₹ in Lakhs)



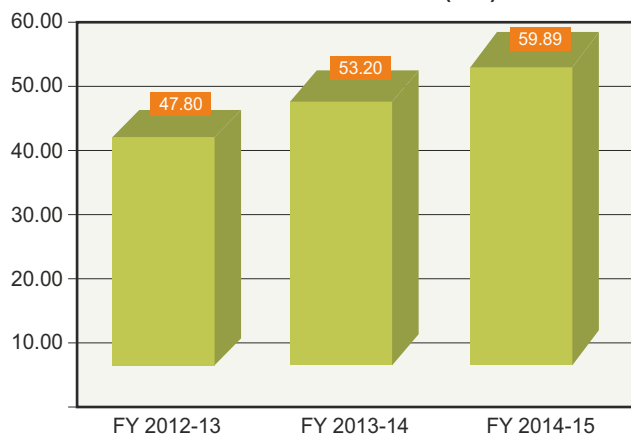
EBIT (₹ in Lakhs)



Earning Per Share (In ₹)



Book Value Per Share (In ₹)



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Phone : 91 422 4522922, 3 Fax : 91 422 4522925 e-mail : indsilho@indsil.com / Website : www.indsil.com

BALLOT FORM (In lieu of e-voting)

Name & Address of the Shareholder

SEQUENCE No. :

FOLIO No./DP. ID - Client ID :

No. of Shares held :

I/We hereby exercise my / our vote(s) in respect of the resolutions set out in the Notice of the Twenty Fifth Annual General Meeting (AGM) of the Company to be held on 16.12.2015 by sending my / our assent or dissent to the said resolutions by placing the tick (✓) mark at the appropriate box below :

Item No.	Resolution	No. of Shares	(For)	(Against)
			I / We assent to the resolution	I / We dissent to the resolution
1	To receive, consider and adopt the Standalone and Consolidated Annual Financial Statements including the Statement of Profit & Loss, Cash Flow Statement for the financial year ended 30th June, 2015, the Balance Sheet as at that date, the Reports of the Directors and the Report of the Auditors thereon.			
2	To declare dividend on equity shares.			
3	To appoint a Director in place of Sri S Inderchand (DIN 00035907), who retires from office by rotation, and being eligible, offers himself for reappointment.			
4	To appoint a Director in place of Smt D Pushpa Varadarajan (DIN 00035787), who retires from office by rotation, and being eligible, offers herself for reappointment.			
5	To appoint M/s Raja & Raman, Chartered Accountants, Coimbatore (Firm Registration No. 003382S) as Auditors of the Company			
6	To approve ratification of remuneration of Cost Auditor			
7	To approve Related Party Transactions			

Place :
Date :

P.T.O

Signature of Shareholder

Note : Please read the instructions carefully before exercising your vote.

INSTRUCTIONS

1. The Ballot Form is provided for the benefit of Members who do not have access to e-voting facility.
2. A Member can opt for only one mode of voting ie., either through e-voting or by Ballot. If a Member casts votes by both modes, then voting done through e-voting shall prevail and Ballot shall be treated as invalid.
3. For detailed instructions on e-voting, please refer to the notes appended to the Notice of the AGM.
4. The Scrutinizer will collate the votes downloaded from the e-voting system, votes received through post and votes cast at the venue of Meeting to declare the final result for each of the resolutions forming part of the Notice of the AGM.

Process and manner for members opting to vote by using the Ballot Form :

1. Please complete and sign the Ballot Form (no other form or photo copy thereof is permitted) and send it so as to reach the Scrutinizer appointed by the Board of Directors of the Company, Sri. C.V. Madhusudhanan failing him Dr. K.S.Ravichandran, Partner, KSR & Co Company Secretaries LLP, "Indus Chambers", # 101, Government Arts College Road, Coimbatore 641 018 in the enclosed self addressed business reply envelope properly sealed. The members need not affix postal stamp since the postage will be paid by the Company. However, envelopes containing Ballots, if sent by courier or by registered post at the expense of the members will also be accepted.
2. The self-addressed envelope bears the address of the scrutinizer appointed by the Board of Directors of the Company.
3. The Form should be signed by the member as per the specimen signature registered with the Company / Depositories. In case of joint holding, the Form should be completed and signed by the first named Member and in his / her absence, by the next named joint holder. A Power of Attorney (POA) holder may vote on behalf of a Member, mentioning the registration number of the POA registered with the Company or enclosing an attested copy of the POA. Exercise of vote by Ballot is not permitted through proxy.
4. In case the shares are held by Companies, Trusts, Societies etc., the duly completed Ballot Form should be accompanied by a certified true copy of the relevant board resolution / authorisation.
5. Votes should be cast in case of each resolution, either in favour or against by putting the tick (✓) mark in the column provided in the Ballot.
6. The voting rights of shareholders shall be in proportion of the shares held by them in the paid-up equity share capital of the Company as on 9th December, 2015 and as per the Register of Members of the Company.
7. Duly completed Ballot Form should reach the Scrutinizer not later than 15th December, 2015. Ballot Form received after 15th December, 2015 will be strictly treated as if the reply from the Members has not been received.
8. A Member may request for a duplicate Ballot Form, if so required. However, duly filled in and signed duplicate Form should reach the Scrutinizer not later than the date specified in serial no. 7 above.
9. Unsigned, incomplete, improperly or incorrectly tick marked Ballot Forms will be rejected. A Form will also be rejected if it is received torn, defaced or mutilated to an extent which makes it difficult for the Scrutinizer to identify either the Member or as to whether the votes are in favour or against or if the signature cannot be verified.
10. The decision of the Scrutinizer on the validity of the Ballot Form and any other related matter shall be final.
11. The results declared along with Scrutinizer's Report, shall be placed on the Company's website www.indsil.com and on the Website of the Central Depository Services (India) Limited (CDSL) within two days of the passing of the Resolutions at the AGM of the Company scheduled to be held on 16th December, 2015 and communicated to the BSE Limited where the shares of the Company are listed.

**INDSIL****INDSIL HYDRO POWER AND MANGANESE LIMITED**

Corporate Identification No. (CIN) L27101TZ1990PLC002849

Registered Office : "Indsil House" T.V.Samy Road (West), R.S.Puram, Coimbatore - 641 002

Phone : 91 422 4522922, 3 Fax : 91 422 4522925 e-mail : indsilho@indsil.com / Website : www.indsil.com

ATTENDANCE SLIP

Please bring this attendance slip and hand it over at the Entrance of
'Chamber Tower, Ground Floor 8/732, Avanashi Road, Coimbatore - 641 018

SEQUENCE No. :

FOLIO No./DP. ID - Client ID :

No. of Shares held :

I hereby record my presence at the 25th ANNUAL GENERAL MEETING at 'Chamber Tower, Ground Floor 8/732, Avanashi Road, Coimbatore - 641 018 at 11.00 AM on Wednesday, the 16th December, 2015.

Signature of the Member or Proxy

No. of Shares held

3<

Form No. MGT-11**PROXY FORM**

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

CIN	L27101TZ1990PLC002849
Name of the Company	Indsil Hydro Power and Manganese Limited
Registered Office	"Indsil House" T.V.Samy Road (West), R.S.Puram, Coimbatore - 641 002

Name of the shareholder	
Registered address	
e-mail ID	
Folio No. / DP ID / Client ID	

I / We, being the shareholder(s) of shares of the above named Company, hereby appoint :

1	Name	
	Address	
	e-mail ID	
	Signature	

or failing him

2	Name	
	Address	
	e-mail ID	
	Signature	

or failing him

3	Name	
	Address	
	e-mail ID	
	Signature	

(p.t.o)

3<

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25th Annual General Meeting of the Company, to be held on Wednesday, the 16th December, 2015 at 11.00 am at 'Chamber Tower, Ground Floor 8/732, Avanashi Road, Coimbatore - 641 018 and at any adjournment thereof in respect of such resolutions as are indicated below :

Resolution No. (☒)

All (☐)

1	To receive, consider and adopt the Standalone and Consolidated Annual Financial Statements including the Statement of Profit & Loss, Cash Flow Statement for the financial year ended 30th June, 2015, the Balance Sheet as at that date, the Reports of the Directors and the Report of the Auditors thereon.	
2	To declare dividend on equity shares.	
3	To appoint a Director in place of Sri S Inderchand (DIN 00035907), who retires from office by rotation, and being eligible, offers himself for reappointment.	
4	To appoint a Director in place of Smt D Pushpa Varadarajan (DIN 00035787), who retires from office by rotation, and being eligible, offers herself for reappointment.	
5	To appoint M/s Raja & Raman, Chartered Accountants, Coimbatore (Firm Registration No. 003382S) as Auditors of the Company	
6	To approve ratification of remuneration of Cost Auditor	
7	To approve Related Party Transactions	

Signed this day of 2015.

Signature of shareholder :

Signature of Proxy holder(s) :

Affix
Revenue
Stamp

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



INDSIL

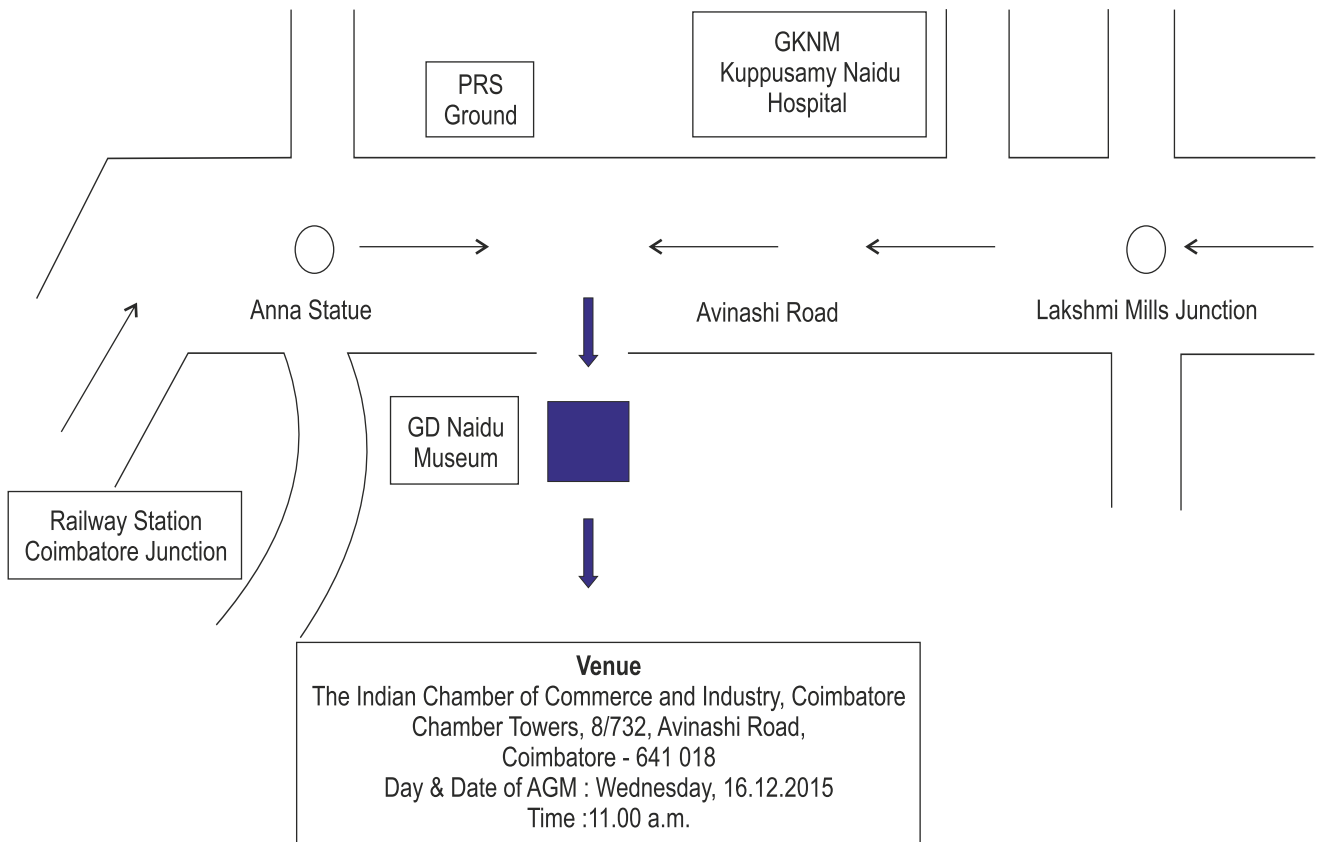
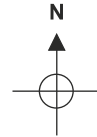
INDSIL HYDRO POWER AND MANGANESE LIMITED

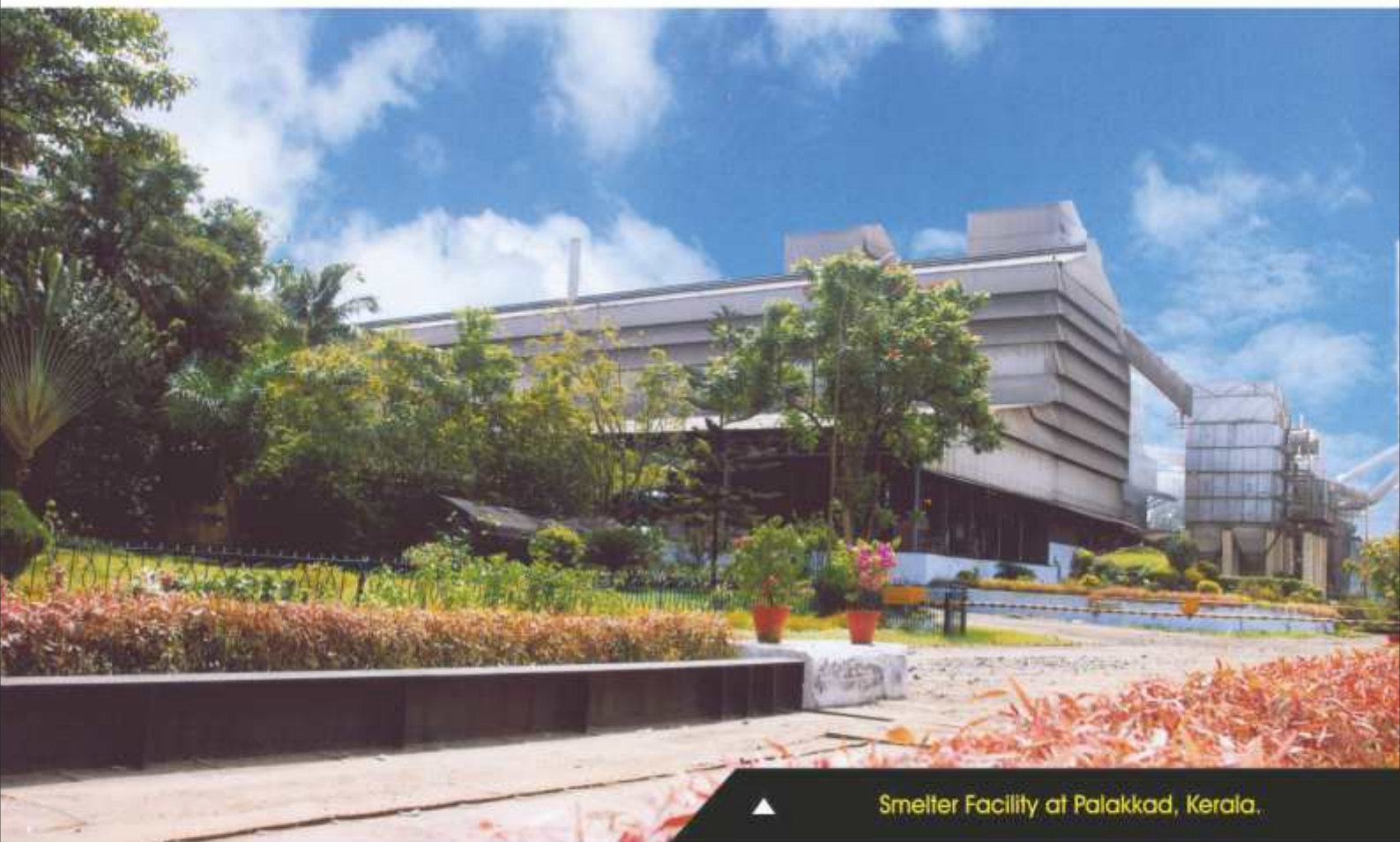
Corporate Identification No. (CIN) L27101TZ1990PLC002849

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Phone : 91 422 4522922, 3 Fax : 91 422 4522925 e-mail : indsilho@indsil.com / Website : www.indsil.com

25th AGM HALL ROUTE MAP





▲ Smelter Facility at Palakkad, Kerala.



Indsil Hydro Power and Manganese Limited

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

Phone : (+91/0) (422) 4522922, 23, 24

Fax : (+91/0) (422) 4522925

e-mail : indsilho@indsil.com