



INDSIL HYDRO POWER AND MANGANESE LIMITED

Regd. Office :
"Indsil House",
T.V. Samy Road (West)
R.S. Puram
Coimbatore - 641 002.
Phone : (+91/0) (422) 4522922, 23
Fax : (+91/0) (422) 4522925
e-mail : indsilho@indsil.com
website : www.indsil.com
CIN : L27101TZ1990PLC002849

23rd December, 2017

The Bombay Stock Exchange Ltd

Department of Corporate Services – Listing
Rotunda Building
B.S.Marg, Fort
Mumbai – 400 001
Phone: 022-22728880

Kind Attention : Mr. Zamith,
Listing Compliance

Dear Sir,

**Sub : 27th Annual General Meeting – pursuant to Regulation 34(1) of
SEBI (Listing Obligation and Disclosure Requirements)
Regulations, 2015.**

Ref : Scrip Code – 522165

We are sending herewith 27th Annual Report relating to Financial Year 2016-17. 27th Annual General Meeting of the Company was held on Thursday, 21st December, 2017. The Annual Report is again sent to you pursuant to Regulation 34(1) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. All the resolutions contained in the said Annual Report were duly approved by the members in the said Annual General Meeting.

Kindly take the above on record.

Thanking you
Yours truly

For INDSIL HYDRO POWER AND MANGANESE LIMITED

S. MAHADEVAN
COMPANY SECRETARY & COMPLIANCE OFFICER

Encl: As above



INDSIL

Indsil Hydro Power and Manganese Limited

27th Annual Report 2016-17

Focused Strategy
STEADY GROWTH

01-05



Corporate **OVERVIEW**

- 01** Corporate Information
- 02** Overview
- 04** Value-accretive Growth
- 05** Managing Director's Message

06-87



Statutory **SECTION**

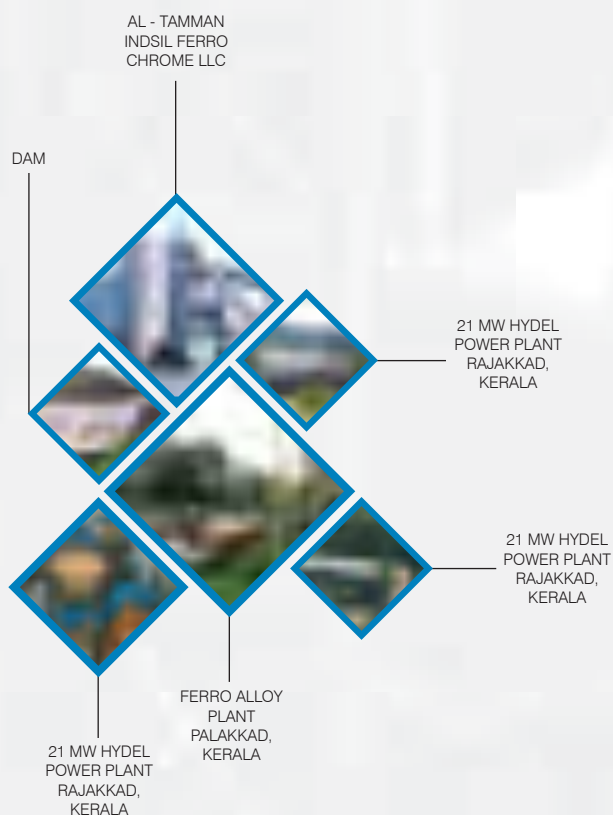
- 06** Notice
- 34** Directors' Report
- 74** Report on Corporate Governance

88-140



Financial **SECTION**

- 88** Auditor's Report on Standalone Financial Statements
- 94** Standalone Balance Sheet
- 95** Standalone Statement of Profit and Loss
- 96** Standalone Notes to Financial Statements
- 116** Standalone Cash Flow Statement
- 117** Statement Pursuant to Section 129 of the Companies Act, 2013
- 119** Auditor's Report on Consolidated Financial Statements
- 124** Consolidated Balance Sheet
- 125** Consolidated Statement of Profit and Loss
- 126** Consolidated Notes to Financial Statements
- 140** Consolidated Cash Flow Statement



CORPORATE INFORMATION

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

Sri K. Ramakrishnan

Dr. A.K. Sreedharan

Dr. T.C.P. Nambiar (till 13th November, 2017)

Sri K. Annamalai (w.e.f 13th November, 2017)

Sri V. Dharmaraj (w.e.f 13th November, 2017)

Sri S. Mahadevan

Company Secretary

Sri R. Murali

Chief Financial Officer

STATUTORY AUDITORS

M/s. Raja & Raman
Chartered Accountants
1055/11, Gowtham Centre
1st Floor, Avinashi 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
Mobile: 95974 00200
Email: divyaramankr@yahoo.co.in

SECRETARIAL AUDITOR

KSR & Co Company Secretaries LLP
Indus Chambers, Ground Floor
No. 101 Govt. Arts College Road
Coimbatore 641 018
Phone: 0422 2305676, 2302868
Email: rirs@eth.net

REGISTRARS & SHARE TRANSFER AGENTS (PHYSICAL & DEMAT)

S.K.D.C Consultants Limited
"Kanapathy Towers"
3rd Floor, 1391/A-1
Sathy Road, Ganapathy,
Coimbatore 641 006
Phone: 0422 4958995, 2539835/6
E-mail: info@skdc-consultants.com

BANKERS

- ◇ State Bank Of India
- ◇ Export Import Bank Of India
- ◇ IDBI Bank Limited
- ◇ Yes Bank Limited
- ◇ RBL Bank Limited
- ◇ 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
"Indsil House", T.V.Samy Road (West),
R.S. Puram, Coimbatore 641 002
Phone: 0422 4522922/3
Email : indsilho@indsil.com

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

OUR STRATEGY IS AIMED AT CONSISTENTLY DRIVING VALUE CREATION FOR OUR SHAREHOLDERS BY STEADY GROWTH, GEOGRAPHICAL DIVERSIFICATION, PRODUCT DIVERSIFICATION AND PURSUING BEST POSSIBLE VERTICAL INTEGRATION FOR OPPORTUNITIES.

INDSIL IS THE PIONEER AND INDIA'S LARGEST PRODUCER

OF LOW CARBON SILICO MANGANESE

Indsil Hydro Power and Manganese Limited (Indsil) is a part of prestigious Indsil Group that manufactures Low Carbon Silico Manganese (LCSM) and Ferro Chrome – key ingredients used in the Stainless Steel Industry.

Headquartered in Coimbatore (India), Indsil has LCSM Smelters in India integrated with captive hydel and thermal power. Besides, it also has a Ferro Chrome Smelter in Oman integrated with captive chrome mines.

WE PURSUE TO BE THE PREFERRED SUPPLIER FOR OUR PRODUCTS AND SOLUTIONS BY CONTINUOUSLY DELIVERING SUPERIOR VALUE TO OUR CUSTOMERS, WORLDWIDE. THE GROUP REMAINS WELL PLACED FOR FURTHER VALUE ACCRETIVE OPPORTUNITIES





45,100 TPY
Consolidated LCSM
Smelter Capacity

75,000 TPY
Ferro Chrome Smelter
Capacity

33 MW
Consolidated Thermal and
Hydro Power Capacity

900+
Employees spread across
Kerala, Chhattisgarh and Oman

GEOGRAPHICALLY DIVERSIFIED, HIGH QUALITY ASSET PROFILE IS ONE OF THE BIGGEST STRENGTHS OF THE GROUP.



GROUP COMPANY



ASSET



CAPACITY



LOCATION

| | | | |
|--|---|-----------------------|---------------------------------------|
| Indsil Hydro Power and Manganese Limited | LCSM Smelter Captive Hydro Power Plant | 14,000 TPY* 21 MW* | Palakkad, Kerala Rajakkad, Kerala |
| Indsil Energy and Electrochemicals Private Limited** | LCSM Smelter Captive Thermal Power Plant | 18,500 TPY 12 MW | Raipur, Chhattisgarh |
| Sree Mahalakshmi Smelters Private Limited | LCSM Smelter | 12,600 TPY | Vizianagaram, Garbham, Andhra Pradesh |
| Al Tamman Indsil Ferro Chrome LLC (ATIFC)*** | Ferro Chrome Smelter | 75,000 TPY | Sohar, Sultanate of Oman |
| Al Tamman Indsil Ferro Chrome LLC | Captive Chrome Mines | Undetermined | Zyami, Oman |

* MW: MegaWatt; TPY: Tonnes Per Year

** Indsil Energy and Electrochemicals Private Limited is proposed to be merged with Indsil Hydro Power and Manganese Limited

*** ATIFC is a 50:50 Joint Venture between Indsil Group and the Muscat Overseas Group set up to add value to the natural chrome ore resources available in the Sultanate of Oman by producing ferro chrome, a key ingredient for manufacturing stainless steel

OUR CONSISTENT FOCUS ON VALUE-ACCRETIVE GROWTH WILL ALLOW US TO BUILD A PLATFORM FOR A SUSTAINABLE GROWTH.

CONSIDER THE FOLLOWING FACTS:

- ◇ Indsil is the only Industry player in Asia having a Renewable Energy Captive Power asset
- ◇ ATIFC has a Ferro Chrome complex with captive chrome mines
- ◇ The Group is equipped with technology to produce Ultra Low Carbon Silico Manganese which allows value addition in terms of realizations and as recently seen, ensures efficient capacity utilization even during zero market events
- ◇ First mover advantage in Oman with significant entry barriers (presently)



MANAGING DIRECTOR'S MESSAGE

Dear Shareholders,

Greetings and good wishes to all the shareholders.

In the ferro alloy industry, your Company has earned a rare distinction of creating a unique mix of assets and investments over the years of its evolution. Your Company is the only one in the industry having a captive hydroelectric power plant and it is also the only Company in the industry to have created a multinational status for itself by way of its investment in Oman. Over the very recent past, your Company has made significant efforts in trying to diversify its asset base across regions and across products thereby reducing dependence on monsoon performance and the performance of its core product – low carbon silico manganese.

The investments made to achieve this diversified mix of regions, asset and products were in the form of an acquisition in Andhra Pradesh and in the form of a Joint Venture investment in the Sultanate of Oman. While the past 3 years have been quite tough for your Company both in terms of monsoon performance and the steel/stainless steel industry's dipping fortunes, the investments made by your Company in its recent ventures has started paying off quite handsomely and it is also satisfying to note that the global steel and alloys industries are also showing good signs of turnaround and a rebound in the recent past.

Patience will finally be rewarded. All the investments made over the past few years will yield rich fruits and dividends to your Company in the immediate future, both by way of financial benefits from its Oman Chrome Joint Venture as well as its Andhra Pradesh smelting facility. Also, on the cards is a merger between a closely held Company belonging to the group with its plant operations in Raipur, Chhattisgarh. That Company also has a sizeable interest in the Oman Joint Venture. A merger between that Company and your Company would ensure that 50% of the Oman Joint Venture comes under one umbrella and on a consolidated basis, your Company foresees a handsome expansion of EBIDTA and bottom lines as an immediate consequence. Added to that, any risk of future monsoon failure would be well mitigated once the merger goes through because the merged Company would then have manganese assets across regions like Chhattisgarh, Andhra Pradesh and Kerala, a thermal power asset in Chhattisgarh as well as ferro chrome assets in the Sultanate of Oman. In terms of value, the dependence on hydro-electric power and monsoons would come down to below 20%. Therefore, the short and medium term future looks bright and we hope that the momentum that has come will yield fortuitous results.

With best wishes,

Vinod Narsiman
Managing Director

OVER THE VERY
RECENT PAST, YOUR
COMPANY HAS
MADE SIGNIFICANT
EFFORTS IN TRYING
TO DIVERSIFY ITS
ASSET BASE ACROSS
REGIONS AND
ACROSS PRODUCTS
THEREBY REDUCING
DEPENDENCE
ON MONSOON
PERFORMANCE AND
THE PERFORMANCE
OF ITS CORE PRODUCT,
LOW CARBON SILICO
MANGANESE

Notice of the 27th Annual General Meeting

NOTICE is hereby given that the 27th Annual General Meeting of the Shareholders of the Company will be held on Thursday, the 21st December, 2017 at 10.15 AM at "The Indian Chamber of Commerce & Industry, Coimbatore", Chamber Towers, 8/732, Avanashi Road, Coimbatore – 641 018 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company along with Consolidated Financial Statements for the financial year ended 31st March, 2017, together with the Reports of the Board of Directors and the Auditors thereon.
2. To declare dividend on the equity shares of the Company for the year ended 31st March, 2017
3. To appoint a Director in the place of Sri S.Inderchand (DIN: 00035907) who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in the place of Smt D.Pushpa Varadarajan (DIN: 00035787) who retires by rotation and being eligible offers herself for re-appointment.
5. To re-appoint the Auditors and to fix their remuneration and in this regard, pass the following resolution as an ordinary resolution:

"RESOLVED THAT pursuant to provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit & Auditors) Rules, 2014 (including any statutory enactments or modifications thereof for the time being in force) M/s.Raja & Raman, (Firm Registration No. 003382S), Coimbatore, be and are hereby re-appointed as the Statutory Auditors of the Company to hold office for a period of five years from the conclusion of this Annual General Meeting till the conclusion of 32nd Annual General Meeting of the Company, subject to ratification by the Members at every Annual General Meeting, if so required under the Act, on such remuneration including out of pocket expenses and other expenses as may be mutually agreed by and between the Board of Directors and the said Auditors."

SPECIAL BUSINESS:

6. To consider and if thought fit, to pass the following resolution as an ordinary resolution:

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with Companies (Audit & Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) Sri B.Venkateswar (Membership No. 27622), Cost Accountant, Coimbatore, who was appointed as Cost Auditor by the Board of Directors of the Company on the recommendation of the Audit Committee, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2018, on a remuneration of ₹ 20,000/- (Rupees Twenty Thousand only) plus applicable service tax and re-imbursement of travelling and out of pocket expenses incurred by him for the purpose of audit be and are hereby ratified and confirmed."

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

7. To consider and if thought fit, to pass the following resolution as a special resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197, 198, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to continue the employment of Sri S.N.Varadarajan (DIN: 00035693), who has attained the age of 70 (seventy) years, as Executive Vice-Chairman of the Company, for the remaining period of his tenure i.e., upto 16th November, 2019 on the following terms and conditions as recommended by the Nomination and Remuneration Committee and approved by the Audit Committee and Board of Directors for a period of 2 (two) years with effect from 17th November, 2017."

TERMS OF REMUNERATION:

- i. Salary in the range of ₹ 50,000/- to ₹ 3,00,000/- p.m during the currency of the tenure as may

be decided by the Board of Directors from time to time

ii. Commission:

3 % of the net profits in each year computed in accordance with Section 198 of the Companies Act, 2013.

iii. Perquisites:

- In addition to the salary and commission, Sri S.N.Varadarajan, Executive Vice-Chairman shall also be entitled to interchangeable perquisites, like furnished accommodation and where accommodation is not provided HRA, gas, electricity, water, furnishings, medical reimbursement, LTA for self and family, club fees, medical insurance etc., in accordance with the rules of the Company, such perquisites being restricted to the amount equal to the salary drawn per annum. Personal Accident Insurance Premium not exceeding ₹ 1,00,000/- per annum. Any other perquisites as may be allowed by the Board of Directors of the Company within the permissible limits. For the purpose of calculating the above ceiling, perquisites shall be evaluated as per Income Tax Rules wherever applicable.
- The Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund as per the rules of the Company to the extent these either singly or put together are not taxable under the Income Tax Act, 1961 shall not be included in the computation of perquisites.
- Gratuity payable shall not exceed half month's salary for each completed year of service. Sri S.N.Varadarajan, Executive Vice-Chairman is also entitled to encashment of leave at the end of tenure which shall not be included in the

computation of the ceiling on remuneration or perquisites.

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

"RESOLVED FURTHER THAT the remuneration as mentioned above is subject to review at any time during the period of appointment as the Board of Directors may revise from time to time within the overall limits mentioned above."

"FURTHER RESOLVED THAT in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the remuneration payable to the Sri S.N.Varadarajan, Executive Vice-Chairman shall be subject to the limits mentioned in Section II of Part II of Schedule V of the Companies Act, 2013."

8. To consider and if thought fit, to pass the following resolution as an ordinary resolution

"RESOLVED THAT pursuant to Sections 196, 197, 198, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or re-enactment thereof, for the time being in force), the consent of the Company be and is hereby accorded to the

re-appointment of Sri Vinod Narsiman (DIN: 00035746) as Managing Director of the Company for a further period of 5 (five) years with effect from 6th November, 2017 on the following terms and conditions as recommended by the Nomination and Remuneration Committee and approved by the Audit Committee and Board of Directors for a period of 3 (three) years with effect from 6th November, 2017.

TERMS OF REMUNERATION:

- i. Salary in the range of ₹ 75,000/- to ₹ 3,00,000/- per month during the currency of the tenure as may be decided by the Board of Directors from time to time.
- ii. Commission:

3% of the net profits in each year computed in accordance with Section 198 of the Companies Act, 2013.
- iii. Perquisites:
 - In addition to the salary and commission, Sri Vinod Narsiman, Managing Director shall also be entitled to interchangeable perquisites, like furnished accommodation and where accommodation is not provided HRA, gas, electricity, water, furnishings, medical reimbursement, LTA for self and family, club fees, medical insurance, Personal Accident Insurance Premium etc., in accordance with the rules of the Company, such perquisites being restricted to the amount equal to the salary drawn per annum. For the purpose of calculating the above ceiling, perquisites shall be evaluated as per Income Tax Rules wherever applicable.
 - The Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund as per the rules of the Company to the extent these either singly or put together are not taxable under the Income Tax Act, 1961 shall not be included in the computation of perquisites.

- Gratuity payable shall not exceed half month's salary for each completed year of service. Sri Vinod Narsiman, Managing Director is also entitled to encashment of leave at the end of tenure which shall not be included in the computation of the ceiling on remuneration or perquisites.
- Sri Vinod Narsiman, Managing Director shall be entitled to reimbursement of all actual expenses incurred during the course of Company's business including on entertainment and travelling incurred in the course of Company business.
- The Company shall provide a car with driver and telephone facility at the residence of Sri Vinod Narsiman, Managing Director. Provision of a Company car with driver for use on Company's business and telephone facility at his residence will not be considered as perquisites. Personal long distance calls on telephone and use of the car for private purposes shall be billed by the Company to Managing Director.

"RESOLVED FURTHER THAT the remuneration as mentioned above is subject to review at any time during the period of appointment as the Board of Directors may revise from time to time within the overall limits mentioned above."

"FURTHER RESOLVED THAT in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the remuneration payable to Sri Vinod Narsiman, Managing Director shall be subject to the limits mentioned in Section II of Part II of Schedule V of the Companies Act, 2013."

9. To consider and if thought fit, to pass the following resolution as an ordinary resolution

"RESOLVED THAT pursuant to Sections 197, 198 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or

re-enactment thereof, for the time being in force), and as recommended by the Nomination and Remuneration Committee and approved by the Audit Committee and Board of Directors, the consent of the Company be and is hereby accorded for payment of commission to the Non-Executive Directors of the Company of a sum not exceeding 1% of the Net Profits of the Company computed in the manner as specified under Section 198 of the Companies Act, 2013 subject to an overall limit of ₹ 6,00,000/- (Rupees Six Lakhs only) per year to be paid and distributed amongst the Non-Executive Directors of the Company or some or any of them in such amounts or proportions and in such manner and in all respects as may be decided by the Board of Directors of the Company and such payments shall be made with respect to the profits of the Company for each year for a period of 3 (three) financial years commencing from the financial year 2016-17."

10. To consider and if thought fit, to pass the following resolution as an ordinary resolution

"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152, 161 and other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Sri K.Annamalai (DIN: 00751334) who was appointed by the Board of Directors as an Additional Director of the Company at the Board Meeting held on 13th November, 2017 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing him as a candidate for the office of Director be and is hereby appointed as an Independent Director of the Company for a period of 5 (five) consecutive years with effect from 13th November, 2017, not liable to retire by rotation."

11. To consider and if thought fit, to pass the following resolution as an ordinary resolution

"RESOLVED THAT pursuant to the provisions of Section 149, 150, 152, 161 and other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to

the Companies Act, 2013, Sri V.Dharmaraj (DIN: 07944099) who was appointed by the Board of Directors as an Additional Director of the Company at the Board Meeting held on 13th November, 2017 and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a Member proposing him as a candidate for the office of Director be and is hereby appointed as an Independent Director of the Company for a period of 5 (five) consecutive years with effect from 13th November, 2017, not liable to retire by rotation."

12. To consider and if thought fit, to pass the following resolution as a special resolution

"RESOLVED THAT in supersession of the earlier resolutions passed under the erstwhile provisions of the Companies Act, 1956 and pursuant to the provisions of section 180(1)(a) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 read with the relevant Rules thereof the Members of the Company hereby accord their consent to the Board of Directors, including any Committee thereof for the time being exercising the powers conferred on them by this resolution, to lease or mortgage or to create charge, and/or hypothecate the whole of or substantially the whole of the undertakings of the Company at such time and on such terms and conditions as the Board may deem fit, in the best interest of the Company."

"RESOLVED FURTHER THAT the Board shall have the power to mortgage or otherwise offer as collateral, substantial property, assets, and/or undertakings of the Company (both present and future), in certain events to banks / financial institutions, other lending agencies, to secure any rupee loans or foreign currency loans."

"FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorized to finalize the terms and conditions for creating the aforesaid mortgage and/or charge and to execute the documents and such other agreements and also to agree to any amendments thereto from time to time as it may think fit for the aforesaid purpose and to do all such acts, deeds, matters and things as may be necessary and expedient for giving effect to the above resolution."

13. To consider and if thought fit, to pass the following resolution as a special resolution

“RESOLVED THAT pursuant to the provisions of Section 14 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications(s) or re-enactment thereof for the time being in force) the regulations contained in the new set of Articles of Association as placed on the Company’s website “<http://www.indsil.com>” be and are hereby approved and adopted as the Articles of Association of the Company in the place of, in substitution for, and to the entire exclusion of the existing Articles of Association of the Company.”

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things and to give such directions as may be necessary or expedient and to settle any question, difficulty or doubt that may arise in this regard as the Board in its absolute discretion may deem necessary or desirable and its decision shall be final and binding.”

14. To consider and if thought fit, to pass the following resolution as a special resolution

“RESOLVED THAT pursuant to the provisions of Section 62 (1) (c) read with Section 42 of the Companies Act, 2013, read with the Companies (Share Capital and Debentures) Rules, 2014 and any other applicable provisions of the Companies Act, 2013, Companies (Prospectus and Allotment of Securities) Rules, 2014 and such other rules as may be issued from time to time, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957, Securities and Exchange Board of India Act, 1992 and the rules and regulations framed there under including the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“SEBI ICDR Regulations”) (including any statutory amendments, modifications or re-enactments thereof for the time being in force), Foreign Exchange Management Act, 1999, as amended including the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended, and subject to any required approvals, consents, permissions and/or sanction of the Securities and Exchange Board of India (“SEBI”) and in accordance with the rules, regulations, guidelines, notifications, circulars and clarifications issued thereon from time to time by Government of India (the

“GOI”), the Reserve Bank of India (the “RBI”), SEBI and/ or any other competent authorities and in accordance with the enabling provisions of the Memorandum and Articles of Association of the Company and the listing agreements entered into by the Company with the respective Stock Exchanges where the equity shares of the Company are listed and such other regulatory approvals / permissions as may be necessary including the approval, if any, of any other competent authorities and subject to such conditions and modifications as may be prescribed or imposed by any of them, while granting such approvals, consents, permissions and sanctions and which may be agreed to by the Board of Directors of the Company including any Committee which the Board has constituted to exercise its powers including the power conferred by any resolution (the “Board”), the consent, authority and approval of the Company be and is hereby accorded to the Board to create, offer, issue and allot in India or in the course of international offering(s) in one or more foreign markets by way of a private placement including but not limited to an issuance of equity shares or other eligible securities through a Qualified Institutions Placement (“QIP”) to Qualified Institutional Buyers (“QIB”) in terms of Chapter VIII of SEBI ICDR Regulations as may be amended, or any other mode/method or means as may be prescribed by the concerned authorities from time to time, of Equity Shares or other eligible securities, (hereinafter referred to as “Securities”) to any person including but not limited to foreign/resident investors (whether institutions, incorporated bodies, mutual funds and/or individuals or otherwise) foreign institutional investors, foreign portfolio investors, Indian and/ or multilateral financial institutions, mutual funds, non-resident Indians, (collectively referred to as “Investors”) whether or not such Investors are existing Members of the Company through one or more tranches, such number of equity shares or other eligible securities, as may be decided by the Board at the appropriate time at such price or prices, at a discount (including but not limited to any discount as may be permitted under Chapter VIII of the SEBI ICDR Regulations) or premium to the market price or prices on each equity share or other eligible securities and on such terms and conditions including security, rate of interest, etc., including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made to the exclusion of all other categories of Investors at the time of such issue offer and allotment considering the prevailing market

conditions and other relevant factors wherever necessary, as the Board may determine in its absolute discretion at the time of issue of the Securities in accordance with SEBI ICDR Regulations and where necessary in consultation with the book running Lead Managers appointed and/or to be appointed by the Company in relation to the QIP and such that the aggregate amount raised by issue of equity shares or other eligible securities shall not exceed an amount of ₹ 500 Crores and on such terms and conditions as may be finalised by the Board and that the Board be and is hereby authorised to finalise all such terms and conditions and the matters incidental thereto as it may in its absolute discretion thinks fit in accordance with all applicable laws, rules and regulations for the time being in force in this regard (the "Issue")."

"RESOLVED FURTHER THAT if any issue of Securities is made by way of a Qualified Institutional Placement in terms of Chapter VIII of the SEBI ICDR Regulations (hereinafter referred to as "Eligible Securities" within the meaning of the SEBI ICDR Regulations), the allotment of the Eligible Securities, or any combination of Eligible Securities as may be decided by the Board shall be completed within twelve months from the date of this resolution or such other time as may be allowed under the SEBI ICDR Regulations from time to time at such price being not less than the price determined in accordance with the pricing formula provided under Chapter VIII of the SEBI ICDR Regulations as may be amended from time to time and the Eligible Securities shall not be eligible to be sold for a period of twelve months from the date of allotment, except on a recognized Stock Exchange, or except as may be permitted from time to time under the SEBI ICDR Regulations."

"FURTHER RESOLVED THAT the Company may, in accordance with applicable law, offer a discount of not more than 5% or such percentage as permitted under applicable law on the price calculated in accordance with the pricing formula provided under the SEBI ICDR Regulations as may be amended from time to time."

"RESOLVED FURTHER THAT in the event that equity shares are issued to Qualified Institutional Buyers under Chapter VIII of the SEBI ICDR Regulations, the relevant date for the purpose of pricing of the equity shares in the Issue shall be the date of the meeting in which the Board

decides to open the proposed issue of equity shares under Chapter VIII of the SEBI ICDR Regulations."

"FURTHER RESOLVED THAT the relevant date for the determination of applicable price for the issue of any other Securities, in terms of the preceding regulation shall be as per the regulations/guidelines prescribed by SEBI, RBI, GOI through its various departments, or any other regulator and subject to and in compliance with the applicable rules and regulations."

"RESOLVED FURTHER THAT the equity shares so issued by the Company pursuant to the QIP shall be subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank pari-passu with the existing equity shares of the Company in all respects except that the Investors who are allotted equity shares in the Issue will be entitled to participate in dividends, if any, declared by the Company after the allotment of equity shares in the QIP offering in compliance with the Companies Act, 2013, the equity listing agreement and other applicable laws and regulations."

"FURTHER RESOLVED THAT the equity shares shall be listed on the Stock Exchanges, where the existing equity shares of the Company are listed."

"RESOLVED FURTHER THAT for the purpose of giving effect to the Issue, the Board or its appointed delegates/committees, are hereby authorised on behalf of the Company to do all such acts, deeds, matters and things as they may, in their absolute discretion, deem necessary or desirable for such purpose, including without limitation, entering into of the placement, underwriting, escrow collection, marketing, and institutions/trustees/ agents and similar agreements, and to remunerate the managers, advisors, underwriters and such other authorities and agencies as may be required for the completion of the Issue, to finalize, settle, execute, issue and deliver or arrange the delivery of the relevant offer documents, agreements and any other deeds, documents and writings and to pay any fees, commissions, remuneration, expenses relating thereto and to settle all questions, difficulties or doubts that may arise in regard to such QIP, as they may, in their absolute discretion, deem fit in the best interest of the Company to give effect to the above resolutions."

"FURTHER RESOLVED THAT for the purpose aforesaid, the Board be and is hereby authorized to settle all

questions, difficulties, or doubts, that may arise in regard to the issue, offer and allotment of the Securities and utilization of the Issue proceeds as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by way of this resolution."

15. To consider and if thought fit, to pass the following resolution as an ordinary resolution

"RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and subject to such approvals, consents, sanctions and permissions as may be necessary, the consent of the Members of the Company be and is hereby accorded to the Board of Directors to enter into contract and/or agreement and/or transactions with the following related parties of the Company :

| S. No. | Name of the related party | Nature of transactions | Value of transaction (2018-19) |
|--------|--|---|--------------------------------|
| 1. | Indsil Energy and Electrochemicals Private Limited | Sale/ Purchase of raw materials, semi-finished and finished goods | Upto a maximum of ₹ 250 Crores |
| 2. | Indsil Energy and Electrochemicals Private Limited | Transfer of resources | Upto a maximum of ₹ 50 Crores |
| 3. | Sree Mahalakshmi Smelters Private Limited | Sale/ Purchase of raw materials, semi-finished and finished goods | Upto a maximum of ₹ 250 Crores |
| 4. | Sree Mahalakshmi Smelters Private Limited | Leasing of land, building, plant & machinery and other fixed assets and hiring of staff and personnel | Upto a maximum of ₹ 20 Crores |

"RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things and to give such directions as may be necessary or expedient and to settle any question, difficulty or doubt that may arise in this regard as the Board in its absolute discretion may deem necessary or desirable and its decision shall be final and binding."

16. To consider and if thought fit, to pass the following resolution as an ordinary resolution

"RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements)

Regulations, 2015 and subject to such approvals, consents, sanctions and permissions as may be necessary, consent of the Members of the Company be and is hereby accorded to the Board of Directors for the purchase of shares constituting a stake of 23.38% of Al-Tamman Indsil Ferro Chrome LLC from Indsil Energy and Electrochemicals Private Limited for an aggregate amount not exceeding ₹ 22,00,00,000/- (Rupees Twenty Two Crores only)."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and is hereby authorised to do all such acts, deeds, matters and things and to give such directions as may be necessary or expedient and to settle any question, difficulty or doubt that may arise in this regard as the Board in its absolute discretion may deem necessary or desirable and its decision shall be final and binding."

By order of the Board

Sd/-

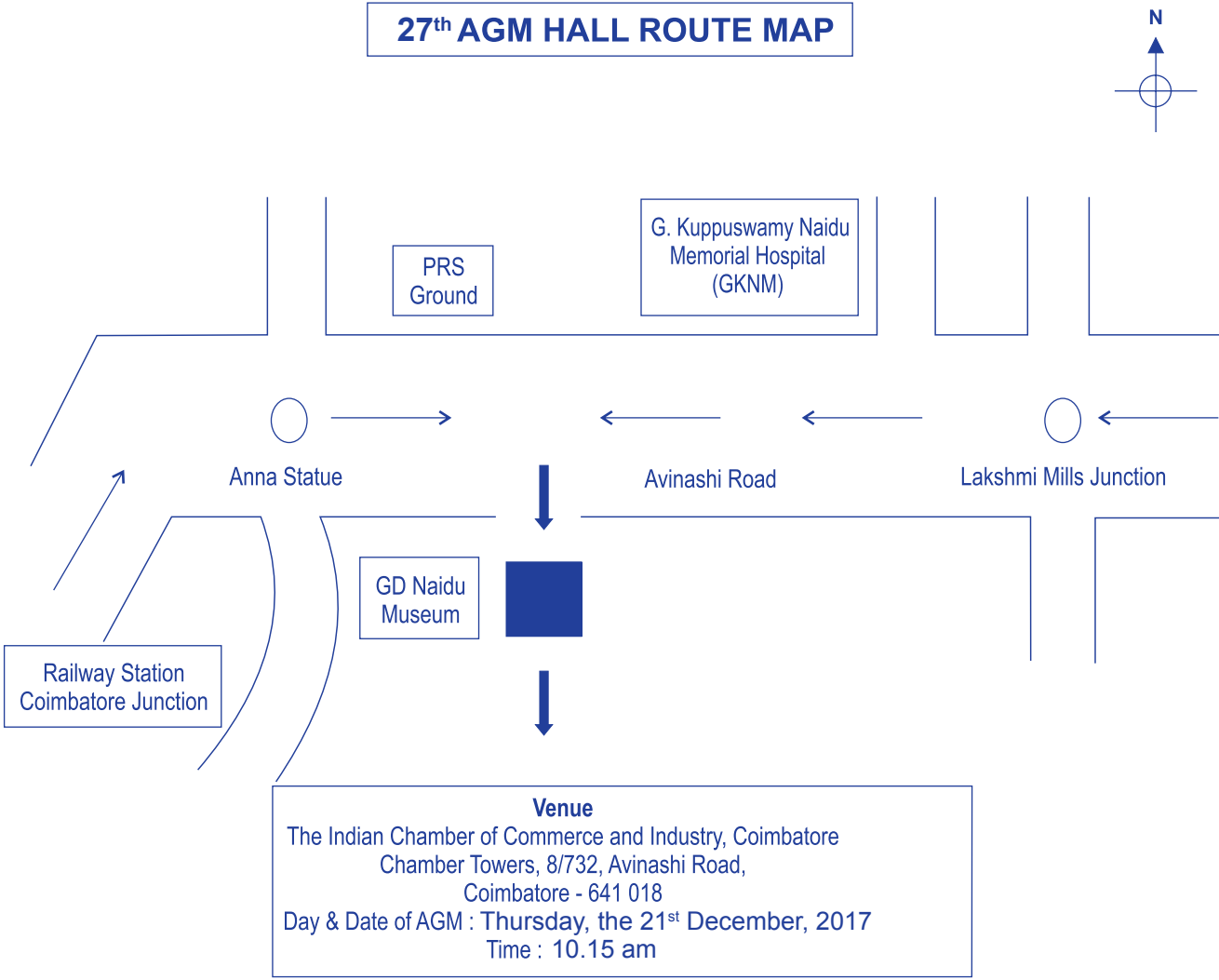
S. MAHADEVAN

Company Secretary

FCS No. 8653

Place: Coimbatore

Date: 13th November, 2017



Statement Under Section 102 of the Companies Act, 2013

ITEM NO. 6

The Board of Directors, on the recommendation of the Audit Committee, has approved the appointment of Sri B.Venkateswar (Membership No. 27622), Cost Accountant, Coimbatore, as the Cost Auditor to conduct the audit of cost records of the Company for the financial year 2017-18.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Members of the Company.

Accordingly, consent of the Members is sought for passing an ordinary resolution as set out in Item No.6 of the notice for ratification of the remuneration of the Cost Auditor for the financial year 2017-18.

The Board recommends the resolution set out in Item No.6 of the Notice for the approval of the Members.

None of the Directors or Key Managerial Personnel of your Company and their relatives are concerned or interested financially or otherwise in the resolution set out at Item No. 6.

ITEM NO. 7

The Company had already obtained the approval of the Members at the Annual General Meeting held on 19th December, 2014 for payment of remuneration to Sri S.N.Varadarajan, Executive Vice-Chairman of the Company for a period of 3 (three) years.

As the said approval expires on 16th November, 2017, the Board of Directors of the Company at their meeting held on 29th May, 2017 have approved the payment of remuneration to Sri S.N.Varadarajan, Executive Vice-Chairman of the Company for a further period of 2 (two) years with effect from 17th November, 2017 till the end of his present term of office.

As per Section 178 of the Companies Act, 2013 the Nomination and Remuneration Committee at their meeting held on 27th May, 2017 had recommended his remuneration as set out in the resolution to the Board. The proposed remuneration is well within the limits prescribed in the Companies Act, 2013 and the Schedule and Rules made there under.

Pursuant to the provisions of the Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Audit Committee at the meeting held on 27th May, 2017 has

also approved the remuneration payable to Sri S.N.Varadarajan, Executive Vice-Chairman of the Company for a period of 3 (three) years and recommended the same to the Board.

Pursuant to the provisions of Sections 197, 198, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 the payment of remuneration to the Executive Vice-Chairman shall be subject to the approval of the shareholders of the Company in the General Meeting. Hence, the necessary resolution has been set out in Item No.7 of the Notice for the approval of the Members.

Further, Sri S.N.Varadarajan, Executive Vice-Chairman has attained the age of 70 years. Therefore, pursuant to the provisions of Section 196(3) of the Companies Act, 2013, the continuation of the office of the Executive Vice-Chairman beyond the age of 70 years requires the approval of the Members through a special resolution.

Sri S.N.Varadarajan holds a Bachelor's degree in Commerce from Madras University. He is the founder Chairman of Indsil Group of Company and Executive Vice-Chairman of the Company. Sri S.N.Varadarajan is the first generation self-made Entrepreneur. He is in the field since 1982. He is the Pioneer in development of indigenous smelting technology for the manufacture of Ferro Alloys. Holder of UDYOG PATRA award in recognition for this achievement.

Sri S.N.Varadarajan has developed indigenous process technology for the manufacture of Low Carbon Silico Manganese used in special steels and it is exported throughout the World to all major steel producers.

Therefore, keeping in view his qualifications and experience, the Board of Directors are of the opinion that his continuation as Executive Vice-Chairman beyond the age of 70 years will be beneficial to the Company.

The Board recommends the resolution set out in Item No.7 of the Notice for the approval of the Members.

The details as required under Schedule V of the Companies Act, 2013 and brief bio-data of Sri S.N.Varadarajan and other disclosures as per Secretarial Standard 2 are furnished and forms a part of this notice.

Except Sri S.N.Varadarajan, Executive Vice-Chairman, Sri Vinod Narsiman, Managing Director & Smt D.Pushpa

Varadarajan, Director being his relatives, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 7.

ITEM NO. 8

The Board of Directors of the Company at their meeting held on 29th May, 2017 the recommendation of the Nomination and Remuneration Committee have re-appointed Sri Vinod Narsiman (DIN: 00035746), as the Managing Director of the Company for a further period of 5 (five) years with effect from 6th November 2017 on such remuneration as set out in the resolution for a period of 3 (three) years with effect from 6th November, 2017.

Considering the dedication and excellent work done by Sri Vinod Narsiman during his tenure as Managing Director, the Board of Directors have re-appointed him as Managing Director of the Company for a further period of 5 (five) years on the remuneration and perquisites as set out in Item No. 8 of the Notice. His re-appointment as Managing Director of the Company would be greatly beneficial for the future growth of the Company.

As per Section 178 of the Companies Act, 2013 the Nomination and Remuneration Committee at their meeting held on 27th May, 2017 had, in the best interest and progress of the Company, recommended the re-appointment of Sri Vinod Narsiman as Managing Director of the Company for a further period of 5 (five) years with effect from 6th November, 2017 and recommended his remuneration as set out in the resolution to the Board. The proposed remuneration is well within the limits prescribed in the Companies Act, 2013 and the Schedule and Rules made there under.

Pursuant to the provisions of the Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Audit Committee at the meeting held on 27th May, 2017 had also approved the remuneration payable to Sri Vinod Narsiman as Managing Director of the Company for a period of 3 (three) years and recommended the same to the Board.

Pursuant to the provisions of Sections 196, 197, 198, 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 the re-appointment of the Managing Director shall be subject to the approval of the shareholders of the Company in the General Meeting. Hence, the necessary resolution has been set out in Item No.8 of the Notice for the approval of the Members.

The Board recommends the resolution set out in Item No.8 of the Notice for the approval of the Members.

The details as required under Schedule V of the Companies Act, 2013 and brief bio-data of Sri Vinod Narsiman and other disclosures as per Secretarial Standard 2 are furnished and forms a part of this notice.

Except Sri Vinod Narsiman, Managing Director being the appointee and Sri S.N.Varadarajan Executive Vice-Chairman & Smt D.Pushpa Varadarajan, Director being his relatives, none of the other Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 8.

ITEM NO. 9

The Board of Directors of the Company, subject to the approval of the Members at the Annual General Meeting have approved the payment of Commission to Non-Executive Directors of the Company, at the rate of 1% of the net profits subject to an overall limit of ₹ 6,00,000/- (Rupees Six Lakhs only) per year to be distributed amongst the Non-Executive Directors of the Company or some or any of them in such amounts or proportions and in such manner and in all respects as may be decided by the Board of Directors of the Company for a period of three years commencing from the financial year 2016-17.

Accordingly, necessary resolution pursuant to the provisions of Section 197, 198, Schedule V and other applicable provisions of the Companies Act, 2013 have been proposed in Item No. 9 of the Notice for the approval of the Members for payment of commission to the Non-Executive Directors of the Company.

The Board recommends the resolution set out in Item No.9 of the Notice for the approval of the Members.

Except all the Non-Executive Directors being the recipients of commission and their relatives, none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at Item No. 9.

ITEM NO. 10

The Board of Directors of the Company vide resolution passed on 13th November, 2017 has appointed Sri K.Annamalai (DIN: 00751334) as an Additional Director of the Company with effect

from 13th November, 2017. The qualification and expertise of Sri.K.Annamalai has been detailed in the annexure attached.

The Company has received a notice in writing from a Member along with a deposit of ₹ 1,00,000/- proposing Sri K.Annamalai for the office of Independent Director of the Company pursuant to the provisions of Section 160 of the Companies Act, 2013.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Sri K.Annamalai being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years from 13th November, 2017. Further, the Company has received declaration from Sri K.Annamalai that he meets the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

In the opinion of the Board, Sri K.Annamalai fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the Management. Copy of the draft letter of appointment of Sri K.Annamalai as an Independent Director would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day.

The Board recommends the resolution in relation to appointment of Sri K.Annamalai as an Independent Director, for the approval of the Members of the Company.

Except Sri K.Annamalai, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.10.

ITEM NO. 11

The Board of Directors of the Company vide resolution passed on 13th November, 2017 has appointed Sri V.Dharmaraj (DIN: 07944099) as an Additional Director of the Company with effect from 13th November, 2017. The qualification and expertise of Sri V.Dharmaraj has been detailed in the annexure attached.

The Company has received a notice in writing from a Member along with a deposit of ₹ 1,00,000/- proposing Sri V.Dharmaraj

for the office of Independent Director of the Company pursuant to the provisions of Section 160 of the Companies Act, 2013.

In terms of Section 149 and other applicable provisions of the Companies Act, 2013, Sri V.Dharmaraj being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years from 13th November, 2017. Further, the Company has received a declaration from Sri V.Dharmaraj that he meets the criteria of independence as prescribed both under Sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

In the opinion of the Board, Sri V.Dharmaraj fulfils the conditions specified in the Companies Act, 2013 and rules made thereunder for his appointment as an Independent Director of the Company and is independent of the Management. Copy of the draft letter of appointment of Sri V.Dharmaraj as an Independent Director would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours on any working day.

The Board recommends the resolution in relation to appointment of Sri V.Dharmaraj as an Independent Director, for the approval of the Members of the Company.

Except Sri V.Dharmaraj, being the appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No.11.

ITEM NO. 12

The Company had obtained the approval of the Members of the Company with regard to the creation of charges to secure the borrowings vide ordinary resolution(s) under 293(1)(a) of the erstwhile Companies Act, 1956.

In order to comply with the provisions of Companies Act, 2013, approval of the Members is sought by way of special resolution under 180(1)(a) of the Companies Act, 2013, for creation of charge/ mortgage/ hypothecation to secure the borrowings of the Company.

The Board recommends the special resolution as set out in Item No. 12 of the Notice for approval of the Members.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 12 of the Notice.

ITEM NO. 13

The existing regulations of the Articles of Association of the Company were framed based on the provisions contained in the Companies Act, 1956. However, with the commencement of the Companies Act, 2013, most of the regulations contained in the existing Articles of Association of the Company are not in line with the provisions of the Companies Act, 2013.

Therefore, the Board of Directors of the Company at their meeting held on 29th May, 2017 has approved the proposal of replacement of the existing Regulations of the Articles of Association with a new set of Regulations which are in line with the provisions of the Companies Act, 2013.

Further, pursuant to Section 14 of the Companies Act, 2013, alteration of the Articles of Association of the Company requires the approval of the Members by a special resolution.

The Board recommends the special resolution as set out in Item No. 13 of the Notice for approval of the Members.

A copy of the draft Articles of Association of the Company is available in the website of the Company and can be viewed by the Members through the web-link "<http://www.indsil.com>". Both the existing and the new set of Articles of Association of the Company are available for inspection at the Registered Office of the Company during business hours on any working day upto the date of the Annual General Meeting.

None of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out in Item No.13 of the Notice.

ITEM NO. 14

The special resolution proposed is an enabling resolution to facilitate and meet the capital expenditure requirements for the ongoing and future projects of the Company, working capital requirements, debt repayment, investment in Subsidiary Companies/ Joint Ventures, general corporate purposes including but not limited to pursuing new business opportunities, meeting the issue expenses etc.

The resolution contained in Item No. 14 of the Notice pertains to a proposal by the Company to create, offer, issue and allot equity shares or other eligible securities, as stated therein in one or more tranches (referred to as "Securities"). The intention is to raise additional capital to meet the funding requirements and business objectives of the Company. For this purpose, the Company seeks your approval as per the resolution stated in Item No. 14 of the Notice.

The Members may please note that the appended resolution is only an enabling resolution and the detailed terms and conditions for the offer will be determined in consultation with lead managers, advisors, underwriters and such other authorities and agencies as may be required to be consulted by the Company in due consideration of prevailing market conditions and other relevant factors. As the price of the securities shall be determined at a later stage, exact number of securities to be issued shall also be crystallized later. However, an enabling resolution is being proposed to give adequate flexibility and discretion to the Board to finalize the terms of the offer.

As per Section 62 of the Companies Act, 2013, and as per the rules and regulations applicable under the laws, the approval of existing Members is being sought to empower the Board to issue, offer and allot equity shares at such price at a discount of not more than 5% on the price calculated for the Qualified Institutions Placement or at such other discount as may be permitted under Chapter VIII of the SEBI ICDR Regulations or premium to market price or prices in such a manner and on such terms and conditions including security, rate of interest, etc. to such person(s) including institutions, incorporated bodies, individuals or otherwise as the Board may at its absolute discretion deem fit.

The Members' approval to the resolution would have the effect of allowing the Board to offer and allot Securities otherwise than on pro-rata basis to the existing shareholders.

The special resolution also seeks to empower the Board of Directors of the Company (hereinafter called the "Board" which term shall be deemed to include any Committee which the Board has constituted to exercise its powers including the power conferred by this resolution) to undertake a Qualified

Institutional Placement as defined by SEBI ICDR Regulations. The Board may in their discretion adopt this mechanism, as prescribed under Chapter VIII of the SEBI ICDR Regulations.

The pricing of the equity shares to be issued to Qualified Institutional Buyers pursuant to Chapter VIII of the SEBI ICDR Regulations shall be freely determined subject to such price not being less than the price calculated in accordance with the SEBI ICDR Regulations.

The special resolution seeks to give the Board the powers to issue equity shares or other eligible securities as the Board may deem fit, in one or more tranche or tranches, at such time or times, at such price or prices and to such person(s) including institutions, incorporated bodies and/ or individuals or otherwise as the Board, in its absolute discretion, deems fit. The detailed terms and conditions for the offer will be determined by the Board in consultation with the advisors, lead managers, underwriters and such other authority or authorities as may be required to be consulted by the Company considering the prevailing market conditions and in accordance with the applicable provisions of law, and other relevant factors.

The equity shares so allotted would be listed. The issue / allotment would be subject to the availability of regulatory approvals, if any.

As and when the Board takes a decision on matters on which it has the discretion, necessary disclosures will be made to the Stock Exchanges under the provisions of the Listing Agreement.

The Board recommends passing of the resolution set out as a special resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested in the aforesaid Resolution.

ITEM NO. 15

The Company has been entering into transactions with its related parties in the ordinary course of business on an arms' length basis. The transactions entered into by the Company are purely as per the business requirements of the Company and carried out at arms length. 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.

Pursuant to the provisions of Section 188 of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, the approval of the Members by way of an ordinary resolution is required for entering into transactions with the related parties as mentioned in Item No. 15 of the Notice in excess of the limits laid down in the Companies Act, 2013/ SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

In the above context, the necessary ordinary resolution is being proposed in Item No. 15 of the Notice for the approval of the Members.

The following are the details of the Related Party Transaction(s) in accordance with Rule 15(3) of the Companies (Meeting of Board and its Powers) Rules, 2014;

| | | |
|---|---|--------------------------------|
| Name of the Related Party | M/s. Indsil Energy and Electrochemicals Private Limited | |
| Name of the Director/KMP who is related, if any | Sri S.N.Varadarajan and Sri Vinod Narsiman | |
| Nature of Relationship | Interested as Directors/ Members | |
| Nature, Material Terms, Monetary Value and Particulars of the Contract or Arrangement | Particulars of Transaction | Value of Transaction |
| | Sale/ Purchase of raw materials, semi-finished and finished goods | Upto a maximum of ₹ 250 Crores |
| | Transfer of resources | Upto a maximum of ₹ 50 Crores |
| Any other information relevant or important for the Members to take decision on the proposed resolution | Nil | |

| | | |
|---|--|--------------------------------|
| Name of the Related Party | M/s. Sree Mahalakshmi Smelters Private Limited | |
| Name of the Director/KMP who is related, if any | Sri K.Ramakrishnan | |
| Nature of Relationship | Subsidiary | |
| Nature, Material Terms, Monetary Value and Particulars of the Contract or Arrangement | Particulars of Transaction | Value of Transaction |
| | Sale/ Purchase of raw materials, semi-finished and finished goods | Upto a maximum of ₹ 250 Crores |
| | Leasing of land, building, plant & machinery and other fixed assets and hiring of staff and personnel. | Upto a maximum of ₹ 20 Crores |
| Any other information relevant or important for the Members to take decision on the proposed resolution | Nil | |

The Board recommends the ordinary resolution as set out in Item No. 15 of the Notice for the approval of the Members who are not related party.

The Directors, Key Managerial Personnel(s) of the Company and their Relatives as mentioned above are deemed to be interested or concerned in this resolution.

ITEM NO.16

As per the Regulation in Sultanate of Oman, a transfer arrangement with compulsory consideration is required for the sale of shares by Indsil Energy and Electrochemicals Private Limited to the Company.

In order to comply with this requirement, it is proposed to transfer the shares held by Indsil Energy and Electrochemicals Private Limited in Al-Tamman Indsil Ferro Chrome LLC in the name of the Company so that the name of the Company will be reflected in the records of Ministry of Commerce and Industry, Sultanate of Oman, the concerned authority there. Even though the above effect is a part of the Merger process, the proposed resolution is contingent on confirmation of Regulations of Sultanate of Oman.

The Audit Committee and the Board of Directors at their meeting held on 13th November, 2017 have proposed to pass an enabling resolution to purchase the shares constituting a stake of 23.38% of Al-Tamman Indsil Ferro Chrome LLC from M/s.Indsil Energy and Electrochemicals Private Limited as a part of the merger process for an aggregate amount not exceeding ₹ 22,00,00,000/-.

Pursuant to the provisions of Section 188 of the Companies Act, 2013 read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, the approval of the Members by way of an ordinary resolution is required for entering into transactions with M/s.Indsil Energy and Electrochemicals Private Limited in excess of the limits laid down in the Companies Act, 2013.

In the above context, the necessary ordinary resolution is being proposed in Item No. 16 of the Notice for the approval of the Members.

The following are the details of the Related Party Transaction(s) in accordance with Rule 15(3) of the Companies (Meeting of Board and its Powers) Rules, 2014;

| | |
|---|---|
| Name of the Related Party | M/s. Indsil Energy and Electrochemicals Private Limited |
| Name of the Director/KMP who is related, if any | Sri S.N.Varadarajan and Sri Vinod Narsiman |
| Nature of Relationship | Interested as Directors/ Members |
| Nature, Material Terms, Monetary Value and Particulars of the Contract or Arrangement | Purchase of shares constituting a stake of 23.38% of Al-Tamman Indsil Ferro Chrome LLC for an aggregate amount not exceeding ₹ 22,00,00,000/- |
| Any other information relevant or important for the Members to take decision on the proposed resolution | Nil |

The Board recommends the ordinary resolution as set out in Item No. 16 of the Notice for the approval of the Members who are not related party.

The Directors, Key Managerial Personnel(s) of the Company and their Relatives as mentioned above are deemed to be interested or concerned in this resolution.

By Order of the Board
Sd/-

Place : Coimbatore
Date : 13th November, 2017

S MAHADEVAN
Company Secretary
FCS NO. 8653

STATEMENT CONTAINING ADDITIONAL INFORMATION AS REQUIRED IN SCHEDULE V OF THE ACT

I. GENERAL INFORMATION

1. Nature of Industry

Ferro-alloy Industry/ Steel Industry

2. Date or expected date of commencement of commercial production

The Company was incorporated on 30th August, 1990 and commenced commercial production during the year 1994.

3. In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus

Not Applicable

4. Financial performance based on given indicators

(₹ in lakhs)

| Particulars | 2016-17 | 2015-16 |
|---------------------------|-----------|----------|
| Sales & other income | 12,133.77 | 7,303.57 |
| Profit/ (Loss) before tax | 229.95 | 459.24 |
| Profit/ (Loss) after tax | 236.98 | 399.45 |
| Paid-up equity capital | 1,588.70 | 1,588.70 |
| Reserves and Surplus | 8,339.53 | 8,229.65 |
| Basic Earnings per share | 1.49 | 2.51 |

5. Foreign Investments or collaborations, if any

The Company has made investments and owns a 26.62% stake in Al Tamman Indsil Ferro Chrome LLC, a Joint Venture Company in the Sultanate of Oman.

The Company also has a Wholly-Owned Subsidiary called Indsil Hydro Global (FZE) in the Sharjah Airport International Freezone (SAIF), United Arab Emirates.

II. INFORMATION ABOUT THE APPOINTEE

| S. No. | Particulars | Sri S.N.Varadarajan | Sri Vinod Narsiman |
|--------|---|---|---|
| 1. | Background details | <p>He holds a Bachelor's degree in Commerce from Madras University. He is the founder Chairman of Indsil Group of Company and Executive Vice-Chairman of the Company. He is a first generation self-made Entrepreneur. He has been in the field since 1982. He is a pioneer in development of indigenous smelting technology for the manufacture of Ferro Alloys.</p> <p>He has developed indigenous process technology for the manufacture of Low Carbon Silico Manganese used in special steels and it is exported throughout the World to all major steel producers.</p> | <p>He is a B.E., (Mechanical), MBA., (University of Michigan) graduate. Sri Vinod Narsiman is in the field since 1997.</p> <p>He is also on the Board of numerous other Company such as Sunmet Holdings India Private Limited, Indsil Energy and Electrochemicals Private Limited, SNV Holdings Private Limited, Sun Metals & Alloys Private Limited, SNV Real Estate Private Limited and Indsil Agrocab Private Limited.</p> |
| 2. | Past remuneration | The total remuneration paid for the year 2016-17 is ₹ 7.42 Lakhs | The total remuneration paid for the year 2016-17 is ₹ 7.42 Lakhs |
| 3. | Recognition or awards | Holder of UDYOG PATRA award in recognition for this achievement. | Nil |
| 4. | Job profile and his suitability | Being a pioneer in development of indigenous smelting technology for the manufacture of Ferro Alloys, he is well qualified to lead the Company | Having been associated with the Company for many years and in view of his qualifications and experience, he is well suited to the role of Managing Director of the Company |
| 5. | Remuneration proposed | Details of proposed remuneration have been disclosed in Item No. 7 of the Notice | Details of proposed remuneration have been disclosed in Item No. 8 of the Notice |
| 6. | Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin) | Taking into consideration the size of the Company, profile of Sri S.N.Varadarajan, responsibility shouldered by him and the industry standard, the remuneration paid is commensurate with the remuneration packages paid to Managerial Personnel in similar other Companies. | Taking into consideration the size of the Company, profile of Sri Vinod Narsiman, responsibility shouldered by him and the industry standard, the remuneration paid is commensurate with the remuneration packages paid to Managerial Personnel in similar other Companies |
| 7. | Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any | <p>Besides the remuneration being received, the Executive Vice-Chairman does not have any pecuniary relationship with the Company.</p> <p>He is related to Sri Vinod Narsiman, Managing Director and Smt D.Pushpa Varadarajan, Director of the Company.</p> | <p>Besides the remuneration being received, the Managing Director does not have any pecuniary relationship with the Company.</p> <p>He is related to Sri S.N.Varadarajan, Executive Vice-Chairman and Smt D.Pushpa Varadarajan, Director of the Company.</p> |

III. OTHER INFORMATION**1. Reasons for loss or inadequate profits**

Not applicable as the Company has earned a profit during the year

2. Steps taken or proposed to be taken for improvement

Not applicable

3. Expected increase in productivity and profits in measurable terms

Not applicable

IV. DISCLOSURES

The following disclosures shall be mentioned in the Board of Directors' report under the heading "Corporate Governance" attached to the financial statement.

- (i) All elements of remuneration package such as salary, benefits, bonuses, stock options, pension etc. of all the Directors.
- (ii) Details of fixed component and performance linked incentives along with the performance criteria
- (iii) Service contracts, notice period, severance fees
- (iv) Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.

By Order of the Board

Place : Coimbatore

Date : 13th November, 2017

Sd/-
S Mahadevan
Company Secretary
FCS No. 8653

Additional information on Directors recommended for appointment / re-appointment as required under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard issued by ICSI.

| | | |
|---|---|--|
| Name | Smt D.Pushpa Varadarajan | Sri S.Inderchand |
| DIN | 00035787 | 00035907 |
| Date of Birth /Nationality | 03.02.1948/Indian | 30.06.1947/Indian |
| Date of appointment on the Board | 30.08.1990 | 30.08.1990 |
| Inter-se relationship with other directors or Key Managerial Personnel of the Company | Related to Sri S.N.Varadarajan, Executive Vice-Chairman and Sri Vinod Narsiman, Managing Director. | Not related to any of the Directors or Key Managerial Personnel of the Company |
| Qualification | B.A. Hons., B.Ed., | B. Com |
| Experience/Expertise in functional areas | 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 Stakeholders 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. |
| No. of shares held | 5,30,208 equity shares of ₹ 10/- each | 1,44,630 equity shares of ₹ 10/- each |
| Board position held | Director | Director |
| Terms and conditions of appointment / re-appointment | Liable to retire by rotation | Liable to retire by rotation |
| Remuneration sought to be paid | Sitting fees of ₹ 2,500/- per meeting and commission not exceeding 1% of net profits | Sitting fees of ₹ 2,500/- per meeting and commission not exceeding 1% of net profits |
| Remuneration last drawn | ₹ 1,67,800/- which includes sitting fees, commission and meeting expenses | ₹ 1,67,800/- which includes sitting fees, commission and meeting expenses |
| Number of Board meetings attended during the year | 5 | 5 |
| Directorships held in other Companies | 1) Sunmet Holdings India Pvt Ltd 2) SNV Investments Pvt Ltd 3) Sun Metals and Alloys Pvt Ltd 4) SNV Real Estate Pvt Ltd 5) SNV Holdings Pvt Ltd 6) Crosimn Agencies Pvt Ltd 7) Indsil Agrocarb Private Limited 8) Indsil Energy and Electrochemicals Private Limited 9) SNV Holdings Retail LLP | 1) Shree Sairam Chit Funds (Madras) Pvt Ltd 2) Shree Sarathy Hire Purchase and Finance Pvt Ltd 3) Valley View Projects Pvt Ltd |
| Chairman/Member of the Committees of the Board of the other Companies in which he/she is a Director. | Nil | Nil |

| Name | Sri S.N.Varadarajan | Sri Vinod Narsiman |
|--|--|--|
| DIN | 00035693 | 00035746 |
| Date of Birth /Nationality | 29.10.1945/Indian | 27.03.1972/Indian |
| Date of appointment on the Board | 30.08.1990 | 30.08.1990 |
| Inter-se relationship with other directors or Key Managerial Personnel of the Company | Related to Sri Vinod Narsiman, Managing Director and Smt D.Pushpa Varadarajan, Director of the Company. | Related to Sri S.N.Varadarajan, Executive Vice-Chairman and Sri D.Pushpa Varadarajan, Director of the Company. |
| Qualification | B.Com. | B.E., MBA (University of Michigan) |
| Experience/Expertise in functional areas | Sri S.N.Varadarajan is the founder Chairman of Indsil Group of Company and Executive Vice-Chairman of the Company. He is the first generation self-made entrepreneur. He is in the field since 1982. He is a pioneer in development of indigenous smelting technology for the manufacture of Ferro Alloys. | Sri Vinod Narsiman is the Managing Director of the Company and Director of Indsil Group of Company. He is in the field since 1997. |
| No. of shares held | 10,90,208 equity shares of ₹ 10/- each | 1,73,220 equity shares of ₹ 10/- each |
| Board position held | Executive Vice-Chairman | Managing Director |
| Terms and conditions of appointment / re-appointment | Specified in Item No.7 of the Notice | Specified in Item No.8 of the Notice |
| Remuneration sought to be paid | Specified in Item No.7 of the Notice | Specified in Item No.8 of the Notice |
| Remuneration last drawn | ₹ 7.42 lakhs | ₹ 7.42 lakhs |
| Number of Board meetings attended during the year | 5 | 5 |
| Directorships held in other Companies | 1) Sunmet Holdings India Private Limited 2) SNV Holdings Private Limited 3) Indsil Energy and Electrochemicals Pvt Ltd 4) SNV Real Estate Private Limited 5) SNV Investments Private Limited 6) Sun Metals & Alloys Private Limited 7) Indsil Agrocarb Private Limited 8) SNV Holdings Retail LLP | 1) Sunmet Holdings India Private Limited 2) SNV Holdings Private Limited 3) Indsil Energy and Electrochemicals Private Limited 4) SNV Real Estate Private Limited 5) Sun Metals & Alloys Private Limited 6) Indsil Agrocarb Private Limited 7) SNV Holdings Retail LLP |
| Chairman/Member of the Committees of the Board of the other Companies in which he is a Director. | Nil | Nil |

| | | | | | |
|--------------------|-----|-------------------|-------|-------------------|--------|
| Corporate Overview | 1-5 | Statutory Section | 06-87 | Financial Section | 88-140 |
|--------------------|-----|-------------------|-------|-------------------|--------|

| | | |
|---|---|---|
| Name | Sri K.Annamalai | Sri V.Dharmaraj |
| DIN | 00751334 | 07944099 |
| Date of Birth /Nationality | 13.09.1955/Indian | 24.08.1948/Indian |
| Date of appointment on the Board | 13.11.2017 | 13.11.2017 |
| Inter-se relationship with other directors or Key Managerial Personnel of the Company | Not related to any of the Directors or Key Managerial Personnel of the Company | Not related to any of the Directors or Key Managerial Personnel of the Company |
| Qualification | PG (EC & S), PG DIP, & DCT., B.L., (pursuing Ph.D., FD) | B.A (Economics), PG DMM., |
| Experience/Expertise in functional areas | Sri K.Annamalai is the Promoter of Annamalai Capital Service Private Limited (which is a Member of Multi Commodity Exchange of India Limited). He is a Stock Broker since 1991. He is the Managing Trustee to Anushaa Kesavan Charitable Trust and founder Member of Coimbatore Stock Exchange Limited. He is also a Director of Texcity Chit Private Limited. With the vast experience, the Company will be benefited, if Sri K.Annamalai is appointed as an Independent Director. | Sri V.Dharmaraj has got a long and illustrious career in Banking, having served in Vijaya Bank for almost 3 decades and has rich experience in making strategic decisions. |
| No. of shares held | 516 equity shares of ₹ 10/- each | Nil |
| Board position held | Independent Director | Independent Director |
| Terms and conditions of appointment / re-appointment | He is proposed to be appointed as an Independent Director of the Company for a period of 5 years with effect from 13 th November, 2017. Details of other terms and conditions of his appointment have been enumerated in his draft letter of appointment, which has been posted on the website of the Company | He is proposed to be appointed as an Independent Director of the Company for a period of 5 years with effect from 13 th November 2017. Details of other terms and conditions of his appointment have been enumerated in his draft letter of appointment, which has been posted on the website of the Company |
| Remuneration sought to be paid | Sitting fees of ₹ 2,500/- per meeting and commission not exceeding 1% of net profits | Sitting fees of ₹ 2,500/- per meeting and commission not exceeding 1% of net profits |
| Remuneration last drawn | Nil | Nil |
| Number of Board meetings attended during the year | Not Applicable | Not Applicable |
| Directorships held in other Companies | Texcity Chit Private Limited | Nil |
| Chairman/Member of the Committees of the Board of the other Companies in which he is a Director. | Nil | Nil |

| | | |
|---|---|---|
| Name | Dr. A.K.Sreedharan | Dr. T.C.P.Nambiar |
| DIN | 00043167 | 01037496 |
| Date of Birth /Nationality | 18.06.1937/Indian | 26.10.1939/Indian |
| Date of appointment on the Board | 21.04.2006 | 27.08.2014 |
| Inter-se relationship with other directors or Key Managerial Personnel of the Company | Not related to any of the Directors or Key Managerial Personnel of the Company. | Not related to any of the Directors or Key Managerial Personnel of the Company. |
| Qualification | M.S (General Surgery), FRCS, FICS (US), FRSH (London) | S.S.L.C Registered Medical Practitioner |
| Experience/ Expertise in functional areas | Dr.A.K.Sreedharan is a well-known person in Palakkad having wide contacts in Kerala and considering his rich experience, the Company will be benefited. He is the Chairman of Audit Committee and Remuneration Committee and Member of the Compensation Committee of the Board of Directors of the Company. He is an Independent Director of the Company. | Dr.T.C.P.Nambiar is a Registered Homeopathy Medical Practitioner. He is President of various associations such as Kairali Cultural Association and Secretary of Federation of All India Marundan Malayalee Association. |
| No. of shares held | Nil | Nil |
| Board position held | Independent Director | Independent Director |
| Terms and conditions of appointment / re-appointment | Details of terms and conditions of his appointment have been enumerated in his letter of appointment which has been posted on the website of the Company | Details of terms and conditions of his appointment have been enumerated in his letter of appointment which has been posted on the website of the Company |
| Remuneration sought to be paid | Sitting fees of ₹ 2,500/- per meeting and commission not exceeding 1% of net profits | Sitting fees of ₹ 2,500/- per meeting and commission not exceeding 1% of net profits |
| Remuneration last drawn | ₹ 1,22,300/- which includes sitting fees, commission and meeting expenses | ₹ 1,14,800/- which includes sitting fees, commission and meeting expenses |
| Number of Board meetings attended during the year | 5 | 5 |
| Directorships held in other Companies | 1) Fort Hospital Limited 2) Trinity Eye Care Private Limited | 1) Kairali Garden Private Limited |
| Chairman/Member of the Committees of the Board of the other Companies in which he is a Director. | Nil | Nil |

| Name | Sri. K.Ramakrishnan | Sri. B.Balchand |
|--|---|---|
| DIN | 02797842 | 00035878 |
| Date of Birth /Nationality | 21.03.1961/Indian | 23.02.1945/Indian |
| Date of appointment on the Board | 01.06.2009 | 30.09.1992 |
| Inter-se relationship with other directors or Key Managerial Personnel of the Company | Not related to any of the Directors or Key Managerial Personnel of the Company | Not related to any of the Directors or Key Managerial Personnel of the Company |
| Qualification | I.T.I (Industrial Training Institute) | Senior Cambridge, Ooty |
| Experience/ Expertise in functional areas | Sri. K.Ramakrishnan has good experience in the technical aspects of the factory equipments that are being utilized for the manufacture of Company products. | Sri. B.Balchand is a reputed businessman of Coimbatore region with considerable contacts among business communities. He is the Chairman of the Company. He is one of the Promoter Director of the Company |
| No. of shares held | 1,800 equity shares of ₹ 10/- each | 66,666 equity shares of ₹ 10/- each |
| Board position held | Independent Director | Chairman |
| Terms and conditions of appointment / re-appointment | Details of terms and conditions of his appointment have been enumerated in his letter of appointment which has been posted on the website of the Company | Liable to retire by rotation. |
| Remuneration sought to be paid | Sitting fees of ₹ 2,500/- per meeting and commission not exceeding 1% of net profits | Sitting fees of ₹ 2,500/- per meeting and commission not exceeding 1% of net profits |
| Remuneration last drawn | ₹ 22,500/- which includes sitting fees, commission and meeting expenses | ₹ 1,04,800/- which includes sitting fees, commission and meeting expenses |
| Number of Board meetings attended during the year | 5 | 5 |
| Directorships held in other Companies | 1) Sree Mahalakshmi Smelters Private Limited 2) Sun Metals and Alloys Private Limited | Nil |
| Chairman/Member of the Committees of the Board of the other Companies in which he is a Director. | Nil | Nil |

| | |
|--|---|
| Name | Sri. K.S.Mahadevan |
| DIN | 00043314 |
| Date of Birth /Nationality | 30.06.1948 /Indian |
| Date of appointment on the Board | 27.06.1995 |
| Inter-se relationship with other directors or Key Managerial Personnel of the Company | Not related to any of the Directors or Key Managerial Personnel of the Company |
| Qualification | Intermediate |
| Experience/ Expertise in functional areas | Sri K S Mahadevan is a reputed businessman of Erode region with considerable contacts among business communities. The Company will be benefited by his vast experience. |
| No. of shares held | 93,000 equity shares of ₹ 10/- each |
| Board position held | Director |
| Terms and conditions of appointment / re-appointment | Liable to retire by rotation |
| Remuneration sought to be paid | Sitting fees of ₹ 2,500/- per meeting and commission not exceeding 1% of net profits |
| Remuneration last drawn | ₹ 1,06,300/- which includes sitting fees, commission and meeting expenses |
| Number of Board meetings attended during the year | 4 |
| Directorships held in other Companies | 1) Mothi Garments (India) Pvt. Ltd 2) Erode Pharma Pvt. Ltd |
| Chairman/Member of the Committees of the Board of the other Companies in which he is a Director. | Nil |

NOTES:

1. A Member entitled to attend and vote at the Annual General Meeting (the “meeting”) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a Member of the Company.

The instrument appointing the proxy should, however, be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the meeting. A proxy form for the Annual General Meeting is enclosed.

A person can act as a proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. Corporate Members intending to send their authorized representatives to attend the Meeting are requested

to send to the Company a certified copy of the Board resolution authorizing their representative to attend and vote on their behalf at the Meeting.

3. Members / Proxies should bring the attendance slips duly filled and signed for attending the meeting.
4. Details under Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards issued by ICSI in respect of the Director seeking re-appointment at the Annual General Meeting is furnished and forms a part of the notice.
5. Pursuant to the provisions of Section 91 of the Companies Act, 2013, the Register of Members and share transfer books of the Company will remain closed from 15th December 2017 to 21st December, 2017 (both days inclusive) for determining the names of the Members eligible for dividend on equity shares, if declared at the meeting.
6. The dividend proposed to be declared at the meeting will be made payable on or before 5th January, 2018 to those Members whose names appear on the Register of Members of the Company on 14th December, 2017.
7. Pursuant to the provisions of Section 124 of the Companies Act, 2013, such Dividend which remains unpaid/unclaimed for a period of seven years will be transferred to the "Investor Education and Protection Fund" established by the Central Government under section 125 of the Act. Any claim relating to the unclaimed dividend for the Financial years from 2010-11 should be made at the earliest to the Company. The shareholders, whose unclaimed or unpaid amount has been transferred to the "Investor Education and Protection Fund", may claim the same from IEPF Authority by filing Form IEPF-5 along with requisite documents.
8. Shares of the shareholders who have not claimed dividend for 7 consecutive years shall be transferred compulsorily to "IEPF Authority" after complying with the requisite procedure pursuant to the provisions of Section 124 and 125 of the Companies Act, 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016.
9. Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer

and Refund) Rules, 2016, the Company has uploaded the details of unpaid and unclaimed dividend amounts lying with the Company as on 14th September, 2016 (date of last Annual General Meeting) in the website of the Company (www.indsil.com).

10. The Shareholders who have not encashed the dividends of earlier years are requested to make their claims to the Company Secretary, Secretarial Department, Indsil Hydro Power and Manganese Limited, "Indsil House", T.V.Samy Road (West), R.S.Puram, Coimbatore, Tamil Nadu- 641002 Ph : 0422 4522904/5 email : mahadevan@indsil.com & indsilho@indsil.com or Company's Registrars and Share Transfer Agents, viz., S.K.D.C Consultants Ltd, "Kanapathy Towers", 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore 641 006 Ph : 0422 4958995, 2539835/6, email ID : info@skdc-consultants.com as early as possible.
11. **The Securities and Exchange Board of India ("SEBI") and the Ministry of Corporate Affairs have made it mandatory for all the listed Company 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 this provision, 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: 0422-4958995, 2539835/6, email ID: info@skdc-consultants.com**
12. Members holding shares in electronic form are hereby informed that bank particulars registered against their depository accounts will be used by the Company for payment of dividend. **The Company or the Registrars cannot act on any request received directly from the Members holding shares in electronic form for any such change in bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant by the Members. Members holding shares in physical form and desirous of either registering bank particulars already**

registered against their respective folios for payment of dividend are requested to write to the Registrars and Share Transfer Agents of the Company.

13. Members holding shares in physical form are requested to notify immediately any change in their address along with respective address proof and Bank particulars to the Company or its Registrars & Share Transfer Agents and in case their shares are held in dematerialized form, this information should be passed on directly to their respective Depository Participants and not to the Company / Registrars & Share Transfer Agents.

14. Members desirous and requiring any information on the accounts or operations of the Company are requested to forward his/her queries to the Company atleast seven working days prior to the meeting, so that the required information may be made available at the meeting.

15. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or Registrars and Share Transfer Agents, the details of such folio numbers together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such Members after making requisite changes thereon.

16. Members holding shares in physical form are requested to convert their holdings to dematerialized form to eliminate all risks associated with physical shares.

17. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company or to M/s S.K.D.C Consultants Limited, Kanapathy Towers, 3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore – 641006. Ph: 0422 4958995, 2539835/6

18. The Members are requested to forward their share transfer deed(s) and other communications directly to the Registrars and Share Transfer Agents of the Company M/s.SKDC Consultants Limited, Kanapathy Towers,

3rd Floor, 1391/A-1, Sathy Road, Ganapathy, Coimbatore – 641006. Ph: 0422 4958995, 2539835/6

19. Members are requested to register / update their Email address 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 Limited.

20. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

21. Electronic copy of the Annual Report for 2017, the Notice of the 27th Annual General Meeting of the Company and instructions for e-voting, along with the Attendance Slip and Proxy Form, are being sent to all the Members whose email IDs are registered with the Company / Depository Participants(s) for communication purposes unless any Member has requested for a hard copy of the same. For Members who have not registered their email address, physical copies of the Annual Report for 2017 is being sent in the permitted mode.

22. Members are requested to note that the venue of the 27th Annual General Meeting is “The Indian Chamber of Commerce & Industry, Coimbatore”, Chamber Towers, 8/732, Avanashi Road, Coimbatore – 641 018 and route map containing the complete particulars of the venue is printed to this Notice.

23. Pursuant to the provisions of Section 72 of the Companies Act, 2013, Members may file Nomination Forms in respect of their physical shareholdings. Any Member willing to avail this facility may submit to the Company's Registrars & Share Transfer Agents in the prescribed Statutory Form. Should any assistance be desired, Members should get in touch with the Company's Registrars & Share Transfer Agents.

24. Members may also note that the Notice of 27th Annual General Meeting and the Annual Report 2016-17 will be available on the Company's website at www.indsil.com

25. Voting through electronic means:

- I. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44(1) of the

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is pleased to provide its Members the facility to exercise their right to vote at the 27th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting services provided by Central Depository Services (India) Limited (CDSL).

- II. The facility for voting, either through electronic voting system or polling paper shall also be made available at the meeting and Members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their vote through polling paper at the Annual General Meeting.
- III. The Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on Monday the 18th December, 2017 at 9.00 AM and ends on Wednesday, the 20th December, 2017 at 5.00 PM. During this period, shareholders of the Company holding shares either in physical

form or in dematerialized form, as on the cut-off date of 14th December, 2017 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on Shareholders.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in physical form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- (vii) If you are a first-time user follow the steps given below:

| | For Members holding shares in Demat Form and Physical Form |
|--|---|
| PAN | <p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Members 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 in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field. |
| Dividend Bank Details OR Date of Birth (DOB) | <p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or Company please enter the Member ID / folio number in the Dividend Bank details field as mentioned in instruction (iv). |

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for INDSIL HYDRO POWER AND MANGANESE LIMITED.
- (xii) 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.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire resolution details.
- (xiv) 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.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xx) 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.

IV. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 14th December 2017.

V. Sri M.D.Selvaraj FCS of MDS & Associates, Company Secretaries, Coimbatore has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

VI. The Scrutinizer shall immediately after the conclusion of the Annual General Meeting

first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of atleast two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

VII. The Results shall be declared within 2 days of the conclusion of the Annual General Meeting. 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 communicated to the Stock Exchange where the Company's shares are listed.

By Order of the Board

Place : Coimbatore
Date : 13th November, 2017

Sd/-
S Mahadevan
Company Secretary
FCS No. 8653

Directors' Report to Shareholders

Dear Shareholders,

The Board of Directors of your Company are pleased to present the 27th Annual Report on the business of the

Company along with the Audited Financial Statements of the Company for the year ended 31st March, 2017.

FINANCIAL HIGHLIGHTS

The Standalone & Consolidated performance for the financial year ended 31st March, 2017 is as under:

(₹ in lakhs)

| Particulars | Standalone | | Consolidated | |
|----------------------|--|--|--|--|
| | Current Year 2016-17 (12 Months) | Previous Year 2015-16 (9 Months) | Current Year 2016-17 (12 Months) | Previous Year 2015-16 (9 Months) |
| Total Revenue | 12,134 | 7,304 | 22,819 | 18,008 |
| Operating Expenses | (11,465) | (6,519) | (21,580) | (16,979) |
| Gross Profit | 669 | 785 | 1,239 | 1,029 |
| Depreciation | (439) | (326) | (1,096) | (903) |
| Profit before Tax | 230 | 459 | 142 | 126 |
| Provision for Tax | 7 | (60) | 7 | (60) |
| Net Profit after Tax | 237 | 399 | 149 | 66 |

FINANCIAL PERFORMANCE

During the period under review, the Company has achieved, on standalone basis, revenue of ₹ 12,134/- Lakhs and net profit of ₹ 237/- Lakhs. During the same period, the Company, on consolidated basis, has achieved revenue of ₹ 22,819/- Lakhs and net profit of ₹ 150/- Lakhs.

CHANGE IN THE NATURE OF BUSINESS, IF ANY

There was no change in the nature of business of the Company during the financial year ended 31st March, 2017

STATE OF AFFAIRS

Operations

During the year under review, the Company has achieved a turnover of ₹ 12,134/- Lakhs (2015-16: ₹ 7,304/- Lakhs) resulting in a Profit before tax of ₹ 230/- Lakhs.

The year under review saw comparatively poor monsoon cycles which resulted in lower generation of power of 11.82 million units (12 months) as against 26.85 million units (9 months) during the previous year.

FUTURE PROSPECTS

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

SCHEME OF AMALGAMATION OF INDSIL ENERGY AND ELECTROCHEMICALS PRIVATE LIMITED ("TRANSFEROR COMPANY") WITH INDSIL HYDRO POWER AND MANGANESE LIMITED ("TRANSFeree COMPANY")

The Board of Directors of the Company vide resolutions passed on 29th May, 2017 and 16th June, 2017 approved the Scheme of Amalgamation of M/s.Indsil Energy and Electrochemicals Private Limited with the Company.

The proposed Scheme of Amalgamation is expected to yield the following benefits:

- Enable consolidation of the business of both Companies into one entity which will facilitate economies of scale, focused growth, operational efficiencies, business synergies and better supervision of the business of the group.

- ii. Bring in a Thermal Power base which would effectively diversify the transferee's risk in terms of dependence on monsoons for its power plant.
- iii. Consolidation of a 50% stake in Al-Tamman Indsil Ferro Chrome LLC, a Ferrochrome manufacturing Company located in the Sultanate of Oman and consolidation of other Subsidiary Companies.
- iv. Result in a diversified power generation base and also regional diversification across Chhattisgarh, Andhra Pradesh, Kerala and the Sultanate of Oman including diversification of products like Ferro Chrome, Low Carbon Silico Manganese and regular Silico Manganese.
- v. Pooling of resources (including manpower, management, administration and marketing resources) of the aforesaid Companies resulting in, synergies of operations and optimisation of logistics, resulting in more productive utilisation of said resources, savings in cost and operational efficiencies.
- vi. Strengthening financial position and increased leverage capacity of the merged entity.
- vii. Create long term value to the shareholders by unlocking value since the business and profits will accrue to a single entity.

In pursuance of Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has obtained the observation letter from the BSE Limited (*where the shares of the Company are listed*) for the said Scheme of Amalgamation on 22nd August, 2017.

The Company has also filed an application with the National Company Law Tribunal, Chennai Bench seeking its Order for convening the meeting of the equity shareholders and Creditors of the Company to obtain their approval for the Scheme of Amalgamation.

RENEWABLE ENERGY CERTIFICATES (REC)

The Central Electricity Regulatory Commission has unfortunately withdrawn the eligibility of RE status to all captive power plants that commenced before 2010. Therefore, from 1st April, 2016, the Company has lost its eligibility for REC

Certificates and this will result in a deterioration of power price realization to the tune of ₹ 1.5 per kwhr.

AL-TAMMAN INDSIL FERROCHROME LLC (ATIFC) - JOINT VENTURE COMPANY

The Oman JV Company is expected to perform very well during the year 2017. The JV Company had commenced full scale commercial operations in 2014 and is expected to record its first year of appreciable profits in the year 2017. This is primarily due to uptrend in price realizations of ferro chrome which began during late 2016.

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

During the year under review, the Company took on lease the smelter plant belonging to Sree Mahalakshmi Smelters Pvt Ltd., in Vizianagaram, Andhra Pradesh and commenced operations in the smelter from 2016. The operations of that unit are expected to yield more than ₹ 60 Crores from the Company's top line along with EBITDA levels of around ₹ 7.5 Crores during the year 2017-18.

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

Indsil Hydro Global (FZE), has earned a profit of ₹ 308.27 Lakhs in the current reporting period as against a profit of ₹ 255.18 Lakhs during the previous reporting period. The operations of the Company are expected to improve further in the forthcoming reporting period.

EXTENSION OF ANNUAL GENERAL MEETING

Pursuant to the provisions of Section 96 of the Companies Act, 2013, the Registrar of Companies, Coimbatore has granted extension of time for holding the Annual General Meeting of the Company for the financial year ended 31st March, 2017 by a period of 3 (three) months up to 31st December, 2017.

TRANSFER TO RESERVES

The Company has not transferred any amount to its reserves during the year under review. However, an amount of ₹ 236.98 Lakhs of the current profit has been carried forward to the surplus in the Profit and Loss account of the Company.

DIVIDEND

The Board of Directors has recommended a dividend of ₹ 0.80 per equity share of ₹ 10/- each (8%) on the Paid-up Equity Share Capital of ₹ 15,88,67,920/- for the financial year ended 31st March, 2017 aggregating ₹ 1,27,09,434/-. The total dividend pay-out works out to 53.63% 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 Thursday, the 14th December, 2017, the date fixed for the purpose.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

In terms of Section 124 & 125 of the Companies Act, 2013 Unclaimed/ unpaid dividend relating to the financial year 2010-11 will be remitted on 18.01.2019 to the Investor Education and Protection fund established by the Central Government.

SHARE CAPITAL

The issued, subscribed and paid-up Share Capital of the Company as at 31.03.2017 stood at ₹ 15,88,67,920/- divided into 1,58,86,792 equity shares of ₹ 10/- each. During the year under review the Company has not made any fresh issue of shares.

EXTRACT OF ANNUAL RETURN

The extract of Annual Return pursuant to the provisions of Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, is furnished in **Annexure 1** and is attached to this report.

BOARD MEETINGS CONDUCTED DURING THE PERIOD UNDER REVIEW

During the year under review, 5 (five) Meetings of the Board of Directors, 5 Meetings of the Audit Committee, 4 Meetings of the Nomination and Remuneration Committee, 4 Meetings of the Stakeholders Relationship Committee and 4 Meetings of the Corporate Social Responsibility Committee were held. Further details of the same have been enumerated in the Corporate Governance Report annexed herewith.

STATEMENT ON COMPLIANCE WITH SECRETARIAL STANDARDS

The Directors have devised proper systems to ensure compliance with the provisions of all applicable Secretarial

Standards and that such systems are adequate and operating effectively.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(3)(c) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, the Board hereby confirm that -

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed and there were no material departure from those standards;
- b) the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that were 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 of the Company for that period;
- c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors had prepared the annual accounts on a going concern basis; and
- e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- f) the Directors had devised proper system to ensure compliance with the provisions of all the applicable laws and such systems were adequate and operating effectively;

DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SECTION 143(12) OF THE COMPANIES ACT, 2013 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT

There were no instances of frauds identified or reported by the Statutory Auditors during the course of their audit pursuant to Section 143(12) of the Companies Act, 2013.

DECLARATION OF INDEPENDENT DIRECTORS

The Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify

themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules made thereunder and SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015

COMPANY'S POLICY RELATING TO DIRECTORS' APPOINTMENT, PAYMENT OF REMUNERATION AND OTHER MATTERS PROVIDED UNDER SECTION 178(3) OF THE COMPANIES ACT, 2013

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed a policy for fixing and revising remuneration of Directors, Key Managerial Personnel, Senior Management Personnel and Employees of the Company. The Remuneration Policy of the Company is annexed herewith as **Annexure 2** and can also be accessed on the Company's website at the link '<http://www.indsil.com/policies/>'

COMMENTS ON AUDITOR'S REPORT

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s.Raja & Raman, Statutory Auditors and M/s.KSR & Co. Company Secretaries LLP, Secretarial Auditors in their report.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS MADE UNDER SECTION 186 OF THE COMPANIES ACT, 2013

During the year under review the Company has not granted any loan or given any security, pursuant to the provisions of Section 186 of the Company Act, 2013. The details in respect of loans & investments made by the Company are disclosed in the notes to the Financial Statements.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All the transactions entered into by the Company with related parties as defined under the Companies Act, 2013 and Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year 2016-17 were in the ordinary course of business and on arms' length basis.

The particulars of contract and arrangement entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto are disclosed in **Annexure 3** (Form No.AOC-2) and forms part of this Report.

The policy on Related Party Transactions as approved by the Board of Directors of the Company has been uploaded on the Company's website and may be accessed through the link at '<http://www.indsil.com/policies/>'

MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY

The Board of Directors of the Company vide resolutions passed on 29th May, 2017 and 16th June, 2017 approved the Scheme of Amalgamation of M/s.Indsil Energy and Electrochemicals Private Limited with the Company with effect from the appointed date i.e., 1st April 2017.

The Scheme of Amalgamation is subject to the approval of the Shareholders and Creditors of the Company and also subject to the sanction of the National Company Law Tribunal.

Other than that mentioned above, there have been no material changes and commitments affecting the financial position of the Company which has occurred between the financial year ended 31st March, 2017 and the date of the report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The information pertaining to conservation of energy, technology absorption, Foreign Exchange Earnings and outgo as required under section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 is furnished in **Annexure 4** and is attached to this report.

STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY

The risk management and minimization procedure adopted and followed by the Company is adequate in relation to the nature and size of the business. The same is reviewed periodically for improvement.

Though it is not applicable, the Company has constituted a Risk Management Committee. The Committee has formulated a Risk Management Policy for Risk Management.

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 the Committee

DETAILS OF POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON ITS CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

Corporate Social Responsibility (CSR) Committee was constituted by the Board of Directors to undertake and administer Corporate Social Responsibility of the Company.

CSR Committee consists of :

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

The Company's CSR objective is promoting education, including special education and employment enhancing vocational skills to children, medical aid, health care, sanitation, drinking water, rural development, employment opportunities, old age homes, protection of natural resources, public libraries, human rights, and such other initiatives prescribed under Schedule VII of the Companies Act, 2013. The Company has developed Corporate Social Responsibility Policy in line with the activities mentioned in Schedule VII of the Companies Act, 2013.

The prescribed amount of CSR expenditure could not be spent totally due to the Company not being able to identify suitable local area projects for CSR activities despite its constant efforts to identify suitable projects. Thus, there was a short fall of ₹ 16,34,396/-. The Company would continue its pursuit and strengthen the mechanism to execute all identified local area projects in future and adopt constant monitoring.

The annual report on CSR activities has been given in **Annexure 5**.

ANNUAL EVALUATION OF THE BOARD ON ITS OWN PERFORMANCE AND OF THE INDIVIDUAL DIRECTORS AND COMMITTEES

On the advice of the Board of Directors, the Nomination and Remuneration Committee of the Board of Directors of

the Company formulated the criteria for evaluation of the performance of the Board of Directors & its committees, Independent Directors, Non-Independent Directors and the Executive Vice-Chairman/Managing Director of the Board. Based on that, performance evaluation has been undertaken. The Independent Directors of the Company have also convened a separate meeting for this purpose.

DIRECTORS & KEY MANAGERIAL PERSONNEL

Smt D.Pushpa Varadarajan (DIN: 00035787) and Sri S.Inderchand (DIN: 00035907), Directors of the Company, retire by rotation at the ensuing Annual General Meeting and being eligible offers themselves for re-appointment.

Sri S.N.Varadarajan (DIN: 00035693) has attained the age of 70 years and as such the approval of the Members is being sought at the ensuing Annual General Meeting for continuation of his current term till the end of tenure of his office.

The Board of Directors on the recommendation of the Nomination and Remuneration Committee, has re-appointed Sri Vinod Narsiman (DIN: 00035746) as Managing Director of the Company for a further period of 5 years with effect from 6th November, 2017 on the terms and conditions as set out in the notice convening the Annual General Meeting. Necessary resolution in this regard has been proposed for the approval of the Members at the ensuing Annual General Meeting.

Sri K.Annamalai (DIN: 00751334) and Sri V.Dharmaraj (DIN: 07944099) were appointed as Additional Directors of the Company with effect from 13th November, 2017 and they shall hold office upto the date of this Annual General Meeting. Accordingly, necessary resolution proposing their appointment as Independent Directors of the Company has been included in the Agenda of the Notice convening the Annual General Meeting for the approval of the Members.

Your Directors recommended their appointment/ re-appointment.

Dr.T.C.P. Nambiar resigned from the Board of Directors of the Company with effect from 13th November, 2017. The Board of Directors wish to place on record their sincere appreciation for the valuable contributions made by him during his tenure as Director.

Key Managerial Personnel of the Company as required pursuant to Section 2(51) and 203 of the Companies Act, 2013 are Sri S.N.Varadarajan, Executive Vice-Chairman, Sri Vinod Narsiman, Managing Director, Sri S. Mahadevan, Company Secretary and Sri R.Murali, Chief Financial Officer.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company has two Subsidiaries namely M/s.Sree Mahalakshmi Smelters Private Ltd and M/s.Indsil Hydro Global (FZE).

The Company also has a 26.62% stake in M/s.Al-Tamman Indsil Ferro Chrome LLC, a Joint Venture Company in the Sultanate of Oman.

The Company does not have any material Subsidiary whose net worth exceeds 20% of the consolidated net worth of the holding Company in the immediately preceding financial year or has generated 20% of the consolidated income of the Company during the previous financial year. The Board has approved a policy for determining material subsidiaries, which has been uploaded on the Company's website and can be accessed at the link '<http://www.indsil.com/policies/>'.

A report containing the salient features of the Subsidiaries and Joint Ventures as required under Section 129(3) of the Companies Act 2013 in Form AOC – 1 is attached herewith as **Annexure 6** to this report.

The consolidated financial statements of the Company and its Subsidiaries prepared in accordance with the applicable accounting standards have been annexed to the Annual Report.

The annual accounts of the Subsidiary Company are posted on the website of the Company viz. www.indsil.com and will also be kept open for inspection by any shareholder at the Registered Office of the Company. The Company shall also provide the copy of the annual accounts of Subsidiary Company to the shareholders upon their request.

FIXED DEPOSITS

The Company has not accepted any Fixed Deposits covered under Chapter V of the Companies Act, 2013 and hence, there are no deposits remaining unclaimed or unpaid as on 31st March, 2017. Accordingly, the question of default in repayment of deposits or payment of interest thereon, during the year, does not arise.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATION IN FUTURE

There is no significant and material order passed by the regulators or courts or tribunals impacting the going concern status and Company's operation in future.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has put in place proper systems and procedures to detect and protect the Organizational resources both tangible and intangible. The Company has also put in place the following to ensure the adequacy of internal financial controls:

- The Company maintains all its records in ERP System and the work flow and approvals are routed through ERP;
- The Company has appointed Internal Auditors to check the Internal Controls and also check whether the workflow of the Organization is in accordance with the approved policies of the Company. In every quarter, during approval of Financial Statements, Internal Auditors will present to the Audit Committee, the Internal Audit Report and Management Comments on the Internal Audit observations; and
- The Board of Directors of the Company have adopted various policies like Corporate Social Responsibility Policy, Code of Conduct to Regulate, Monitor and Report Trading by Insiders, Code of Practices for Fair Disclosure of Unpublished Price Sensitive Information, Code of Conduct applicable to the Board of Directors including Key Managerial Personnel and Senior Management Personnel, Enterprise Risk Management Policy, Performance Evaluation, Board Diversity and Professional Code of Conduct, Policy for Related Party Transactions, Policy on Determination of Materiality for Disclosure of events or information, Policy on Material Subsidiary, Prevention of Sexual Harassment at Workplace, Professional Code of Conduct for Independent and Non-Executive Directors including Senior Managerial Personnel (SMP), Succession Planning for the Board

and Senior Management, Whistle Blower Policy and such other procedures for ensuring the orderly and efficient conduct of its business for safeguarding of its assets, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information.

The Directors and Management confirm that the Internal Financial Controls (IFC) are adequate with respect to the operations of the Company. A report of Auditors pursuant to Section 143(3)(i) of the Companies Act, 2013 certifying the adequacy of Internal Financial Controls is annexed with the Auditors report.

AUDITORS

STATUTORY AUDITORS

The present tenure of M/s.Raja & Raman (Firm Registration No. 003382S), Chartered Accountants, Coimbatore expires at the ensuing Annual General Meeting. The Audit Committee and the Board of Directors at their meeting held on 16th June, 2017 have recommended the re-appointment of M/s.Raja & Raman as the Statutory Auditors of the Company for a further period of 5 years from the conclusion of this Annual General Meeting till the conclusion of the 32nd Annual General Meeting of the Company, subject to ratification of their appointment by the Members at every Annual General Meeting, if so required under the Act. Further the Company has received a certificate from M/s.Raja & Raman, to the effect that their re-appointment if made, would be in compliance with the provisions of Section 141 of the Companies Act, 2013. Accordingly, the Members are requested to re-appoint the Statutory Auditors of the Company.

Necessary resolution for the re-appointment of Auditors has been included in the Notice of the Annual General Meeting for the approval of the Members.

COST AUDITORS

Pursuant to the provision of Section 148 of the Companies Act, 2013 read with notifications/ circulars issued by the Ministry of Corporate Affairs from time to time and as per the recommendation of the Audit Committee, the Board of Directors at their meeting dated 29th May, 2017, have appointed Mr.B.Venkateswar, (Membership No.27622), Cost Accountant, Coimbatore as Cost Auditors of the Company for the financial year 2017-18. The remuneration payable to the Cost Auditor is subject to the ratification of the Members in General Meeting.

SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s.KSR & Co. Company Secretaries LLP, a firm of Company Secretaries to undertake the Secretarial Audit of the Company for the financial year 2016-17. The report of the Secretarial report is annexed herewith as **Annexure 7** to this report.

The Board of Directors of the Company at their meeting held on 23rd August, 2017 have appointed Sri M.D.Selvaraj, FCS, MDS & Associates, Company Secretaries in Practice to undertake the Secretarial Audit of the Company for the financial year 2017-18.

INTERNAL AUDITOR

Ms.K.R.Divya (Membership No. 228896), Chartered Accountant, Coimbatore has been appointed as the Internal Auditor of the Company to undertake internal audit of the records of the Company.

PARTICULARS OF EMPLOYEES

The disclosure as required under 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 herewith as **Annexure 8**.

EMPLOYEE STOCK OPTION SCHEME

The Company has in place an Employee Stock Option Scheme (ESOS) named "INDSIL ESOS, 2015" pursuant to SEBI (Share Based Employee Benefits) Regulations, 2014. The Company has not allotted any stock options during the year under review and there are no outstanding options which are yet to be exercised by the employees of the Company. Details of Employee Stock Options pursuant to SEBI (Share Based Employee Benefits) Regulations, 2014 is given in **Annexure 9** to this Report.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013.

The Company has been employing women employees in various cadres within the Office / factory premises. The Company has in place an Anti-harassment policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act,

2013. There was no complaint received from any employee during the financial year 2016-17 and hence no complaint is outstanding as on 31.03.2017 for redressal.

MANAGEMENT DISCUSSION AND ANALYSIS

The report on Management Discussion and analysis is annexed herewith as **Annexure 10** to this report.

CORPORATE GOVERNANCE

A report on Corporate Governance is annexed and forms part of this report. The Company has complied with the conditions relating to Corporate Governance as stipulated in Regulation 27 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

AUDIT COMMITTEE

The Company has an Audit Committee in accordance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Kindly refer to the Section on Corporate Governance, under the head, 'Audit Committee' for matters relating to the composition, meetings, and functions of the Committee. The Board has accepted the Audit Committee recommendations during the year whenever required and hence no disclosure as required under Section 177(8) of the Companies Act, 2013 with respect to rejection of any recommendations of Audit Committee by Board is necessary.

VIGIL MECHANISM (WHISTLE BLOWER POLICY)

The Company has constituted a Vigil Mechanism as required under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company has adopted a formal mechanism to the Directors and employees to report about unethical behaviour, suspected fraud or violation of Code of Conduct and ethics. The Policy aims at conducting the affairs in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour.

The policy can be accessed on the Company's website at the link '<http://www.indsil.com/policies/>'.

CEO/CFO CERTIFICATION

As required under SEBI (Listing obligations and Disclosure Requirements) Rules 2015, the Managing Director and the Chief Financial Officer have furnished necessary certificate to the Board on the financial statements presented.

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 evaluations. As per the technical evaluations such useful life has been taken as 20 years.

INSURANCE

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

INDUSTRIAL SAFETY

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

ACKNOWLEDGEMENTS

Your Directors are extremely thankful to State Bank of India, Export Import Bank of India, IDBI Bank Limited, Yes Bank Limited, RBL Bank Limited 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

Sd/-

S N VARADARAJAN
Executive Vice-Chairman
DIN: 00035693

Sd/-

VINOD NARSIMAN
Managing Director
DIN: 00035746

Place: Coimbatore
Date: 13th November, 2017

FORM NO. MGT-9
EXTRACT OF ANNUAL RETURN
for the Financial Year ended 31st March, 2017

[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 / Non-Government Company |
| v | Address of the Registered Office and contact details Registered Office | "Indsil House", Door No. 103-107 Thiruvankatasamy Road (West) R.S.Puram, Coimbatore 641 002 Ph : 0422 4522922/3 Email: indsilho@indsil.com Website : www.indsil.com |
| 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", 3 rd Floor 1391/A-1 Sathy Road Ganapathy, Coimbatore 641 006 Ph : 0422 4958995, 2539835/6 Email : info@skdc-consultants.com |

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 | % of total turnover of the Company |
|-------|---|--------------------------------------|---------------------------------------|
| 1 | Manufacturer of Ferro Alloys. | 7202 | 92.48 |
| 2 | Generation of Electricity (Hydro Power) | Exemption | 4.83 |

III. PARTICULARS OF HOLDING , SUBSIDIARIES & ASSOCIATE COMPANIES

| Sl.No | Name and Address of the Company | CIN/GLN | Holding / Subsidiary | % of Shares Held | Applicable Section |
|-------|---|-----------------------|-------------------------------|---------------------|--------------------|
| 1 | Sree Mahalakshmi Smelters Private Limited, "Indsil House" Thiruvankatasamy Road (West) R.S.Puram, Coimbatore 641 002 | U27101TZ2008PTC028507 | Subsidiary | 51% | 2(87) |
| 2 | Indsil Hydro Global (FZE) SAIF Lounge, P.O.Box 9049, Sharjah Airport International Freezone (SAIF), UAE | Not Applicable | Wholly Owned Subsidiary | 100% | 2(87) |

| | | | | | |
|--------------------|-----|-------------------|-------|-------------------|--------|
| Corporate Overview | 1-5 | Statutory Section | 06-87 | Financial Section | 88-140 |
|--------------------|-----|-------------------|-------|-------------------|--------|

| Sl.No | Name and Address of the Company | CIN/GLN | Holding / Subsidiary | % of Shares Held | Applicable Section |
|-------|---|----------------|----------------------|------------------|--------------------|
| 3 | Al-Tamman Indsil Ferro Chrome LLC C.R.No. 1090488 Post Box No.592 Al-Hamriya, Postal Code 131 Sultanate of Oman | Not Applicable | Joint Venture | 26.62% | 2(6) |

IV. SHAREHOLDING PATTERN : (EQUITY SHARE CAPITAL BREAK-UP AS PERCENTAGE OF TOTAL EQUITY)

(i) Category-wise Share Holding

| Category of Shareholders | Shareholding at the beginning of the year as on 1.4.2016 | | | | Shareholding at the end of the year as on 31.3.2017 | | | | % change during the year |
|---|--|--------------|------------------|-------------------|---|--------------|------------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| Promoters Group | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| (i) Individual/HUF | 31,03,033 | - | 31,03,033 | 19.532 | 31,03,033 | - | 31,03,033 | 19.532 | - |
| (ii) Central Govt /State Govt(s) | - | - | - | - | - | - | - | - | - |
| (iii) Bodies Corp | 55,32,585 | - | 55,32,585 | 34.825 | 55,32,585 | - | 55,32,585 | 34.825 | - |
| (iv) Banks / FI | - | - | - | - | - | - | - | - | - |
| (v) Any Other | - | - | - | - | - | - | - | - | - |
| Sub – total (A) (1) | 86,35,618 | - | 86,35,618 | 54.357 | 86,35,618 | - | 86,35,618 | 54.357 | - |
| (2) Foreign | | | | | | | | | |
| a) NRI Individuals | - | - | - | - | - | - | - | - | - |
| b) Other Individuals | - | - | - | - | - | - | - | - | - |
| c) Bodies corp | - | - | - | - | - | - | - | - | - |
| d) Banks / FI | - | - | - | - | - | - | - | - | - |
| e) Any Other | - | - | - | - | - | - | - | - | - |
| Sub – total (A) (2) | - | - | - | - | - | - | - | - | - |
| Total Shareholding of Promoter Group (A) = (A)(1) + (A)(2) | 86,35,618 | - | 86,35,618 | 54.357 | 86,35,618 | - | 86,35,618 | 54.357 | - |
| B. Public Shareholding | | | | | | | | | |
| (1) Institutions | | | | | | | | | |
| a) Mutual Funds / UTI | - | 3,000 | 3,000 | 0.019 | - | 3,000 | 3,000 | 0.019 | - |
| b) Banks / FI | - | - | - | - | - | - | - | - | - |
| c) Central Govt / State Govt(s) | 10,54,166 | - | 10,54,166 | 6.635 | 10,54,166 | - | 10,54,166 | 6.635 | - |
| d) Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| e) Insurance Companies | - | - | - | - | - | - | - | - | - |
| f) FIs | - | - | - | - | - | - | - | - | - |
| g) Foreign Venture Capital Funds | - | - | - | - | - | - | - | - | - |
| h) Any Other | - | - | - | - | - | - | - | - | - |
| Sub – total (B)(1) | 10,54,166 | 3,000 | 10,57,166 | 6.654 | 10,54,166 | 3,000 | 10,57,166 | 6.654 | - |
| (2.) Non-Institutions | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | 2,92,390 | 83,931 | 3,76,321 | 2.369 | 2,23,196 | 16,629 | 2,39,825 | 1.510 | -0.859 |
| ii) Overseas | - | - | - | - | - | - | - | - | - |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto ₹ 1 Lakh | 27,26,240 | 4,79,004 | 32,05,244 | 20.176 | 23,91,621 | 4,64,520 | 28,56,141 | 17.978 | -2.198 |
| ii) Individual shareholders holding nominal share capital in excess of ₹ 1 Lakh | 20,93,403 | 6,832 | 21,00,235 | 13.220 | 24,10,436 | 6,832 | 24,17,268 | 15.216 | 1.996 |

| Category of Shareholders | Shareholding at the beginning of the year as on 1.4.2016 | | | | Shareholding at the end of the year as on 31.3.2017 | | | | % change during the year |
|--|---|-----------------|--------------------|----------------------|--|-----------------|--------------------|----------------------|--------------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| c) Others (specify) | | | | | | | | | |
| Directors & their Relatives | 1,800 | - | 1,800 | 0.011 | 1,800 | - | 1,800 | 0.011 | - |
| Non Resident Indians | 1,48,979 | 91,045 | 2,40,024 | 1.511 | 1,09,531 | 89,145 | 1,98,676 | 1.251 | -0.260 |
| Clearing Members | 48,903 | - | 48,903 | 0.308 | 1,51,140 | - | 1,51,140 | 0.951 | 0.643 |
| Hindu Undivided Families | 2,21,481 | - | 2,21,481 | 1.394 | 3,25,816 | - | 3,25,816 | 2.051 | 0.657 |
| Sub-total (B)(2) | 55,33,196 | 6,60,812 | 61,94,008 | 38.989 | 56,13,540 | 5,77,126 | 61,90,666 | 38.968 | -0.021 |
| Total Public shareholding (B) = B(1) + (B)(2) | 65,87,362 | 6,63,812 | 72,51,174 | 45.643 | 66,67,706 | 5,80,126 | 72,47,832 | 45.622 | -0.021 |
| C. Shares held by Custodian for GDRs & ADRs | | | | | | | | | |
| (a) (1) Shares held by Custodian for ADR and GDRs | - | - | - | - | - | - | - | - | - |
| (a) (2) Employee Benefit Trust | - | - | - | - | 3,342 | - | 3,342 | 0.021 | 0.021 |
| Grand Total (A+B+C) | 1,52,22,980 | 6,63,812 | 1,58,86,792 | 100.00 | 1,53,06,666 | 5,80,126 | 1,58,86,792 | 100.00 | - |

(ii) Share Holding of Promoters' Group

| Sl No. | Shareholder's Name | Shareholding at the beginning of the year (As on 01.04.2016) | | | Shareholding at the end of the year (As on 31.03.2017) | | | % 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 | 33,333 | 0.210 | - | 33,333 | 0.210 | - | - |
| 2 | SRI BALCHAND B | 33,333 | 0.210 | - | 33,333 | 0.210 | - | - |
| 3 | M/S SUNMET HOLDINGS INDIA PVT LTD | 55,18,252 | 34.735 | - | 55,18,252 | 34.735 | - | - |
| 4 | SRI INDER CHAND KOTHARI .S | 144,630 | 0.910 | - | 1,44,630 | 0.910 | - | - |
| 5 | SRI MAHAVEERCHAND B | 41,666 | 0.262 | - | 41,666 | 0.262 | - | - |
| 6 | SRI PARASMAL B | 41,666 | 0.262 | - | 41,666 | 0.262 | - | - |
| 7 | M/S SNV HOLDINGS PRIVATE LIMITED | 14,333 | 0.090 | - | 14,333 | 0.090 | - | - |
| 8 | SRI BALCHAND B | 33,333 | 0.210 | - | 33,333 | 0.210 | - | - |
| 9 | SRI DEEP PRAKASH M | 6,184 | 0.039 | - | 6,184 | 0.039 | - | - |
| 10 | SRI AJIT B | 12,083 | 0.076 | - | 12,083 | 0.076 | - | - |
| 11 | SRI PANKAJ B | 8,333 | 0.052 | - | 8,333 | 0.052 | - | - |
| 12 | SRI VASANT B | 25,000 | 0.157 | - | 25,000 | 0.157 | - | - |
| 13 | SRI ASHOK B | 71,710 | 0.451 | - | 71,710 | 0.451 | - | - |
| 14 | SRI S.N.VARADARAJAN* | 10,90,208 | 6.862 | - | 10,90,208 | 6.862 | - | - |
| 15 | SRI VISHWAA NARSIMAN | 2,718 | 0.017 | - | 2,718 | 0.017 | - | - |
| 16 | SRI RUDRA NARSIMAN | 2,718 | 0.017 | - | 2,718 | 0.017 | - | - |
| 17 | SRI VINOD NARSIMAN* | 1,73,220 | 1.090 | - | 1,73,220 | 1.090 | - | - |
| 18 | SMT JAYASHREE VINOD | 1,83,385 | 1.154 | - | 1,83,385 | 1.154 | - | - |
| 19 | SRI K S MAHADEVAN | 93,000 | 0.585 | - | 93,000 | 0.585 | - | - |
| 20 | SMT M PRIYA | 55,263 | 0.348 | - | 55,263 | 0.348 | - | - |
| 21 | SMT M KALAISELVI | 78,469 | 0.494 | - | 78,469 | 0.494 | - | - |
| 22 | SRI PAVAN KUMAR I | 1,05,911 | 0.667 | - | 1,05,911 | 0.667 | - | - |
| 23 | SRI MOHIT P | 14,794 | 0.093 | - | 14,794 | 0.093 | - | - |
| 24 | SRI P RISHAB KUMAR | 15,870 | 0.100 | - | 15,870 | 0.100 | - | - |
| 25 | SMT D PUSHPA VARADARAJAN | 5,30,208 | 3.337 | - | 5,30,208 | 3.337 | - | - |
| 26 | SMT SHARMILA M | 1,36,068 | 0.856 | - | 1,36,068 | 0.856 | - | - |
| 27 | SRI PRASANNA KUMAR I | 1,69,930 | 1.070 | - | 1,69,930 | 1.070 | - | - |
| TOTAL | | 86,35,618 | 54.354 | - | 86,35,618 | 54.354 | - | - |

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

(iii) **Change in Promoters' Group Shareholding**

| 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 |
| | At the beginning of the year | There has been no change in the Promoters' Shareholding during the year | | | |
| | Increase / Decrease in promoter shareholding during the year | | | | |
| | At the end of the year | | | | |

(iv) **Shareholding Pattern of top ten shareholders (other than Directors, Promoters / Promoters' Group and Holders of GDRs and ADRs) :**

| Sl. No | Particulars | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|--|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| 1 | KERALA STATE INDUSTRIAL DEVELOPMENT CORP | | | | |
| | At the beginning of the year | 1054166 | 6.635 | 1054166 | 6.635 |
| | Increase/ decrease in shareholding during the year | - | - | - | - |
| | At the end of the year | | | 1054166 | 6.635 |
| 2 | ANIL KUMAR GOEL | | | | |
| | At the beginning of the year | 610000 | 3.840 | 610000 | 3.840 |
| | Transfer of shares as on 04.11.2016 | (10000) | (0.063) | 600000 | 3.777 |
| | At the end of the year | | | 600000 | 3.777 |
| 3 | SEEMA GOEL | | | | |
| | At the beginning of the year | 250000 | 1.574 | 250000 | 1.574 |
| | Increase/ decrease in shareholding during the year | - | - | - | - |
| | At the end of the year | | | 250000 | 1.574 |
| 4 | ANU NARAYAN ** | | | | |
| | At the beginning of the year | - | - | - | - |
| | Transfer of shares as on 29.04.2016 | 2971 | 0.019 | 2971 | 0.019 |
| | Transfer of shares as on 06.05.2016 | 5752 | 0.036 | 8723 | 0.055 |
| | Transfer of shares as on 13.05.2016 | 1842 | 0.012 | 10565 | 0.067 |
| | Transfer of shares as on 20.05.2016 | 1940 | 0.012 | 12505 | 0.079 |
| | Transfer of shares as on 27.05.2016 | 2843 | 0.018 | 15348 | 0.097 |
| | Transfer of shares as on 10.06.2016 | 18090 | 0.113 | 33438 | 0.210 |
| | Transfer of shares as on 17.06.2016 | 4592 | 0.029 | 38030 | 0.239 |
| | Transfer of shares as on 24.06.2016 | 10042 | 0.064 | 48072 | 0.303 |
| | Transfer of shares as on 30.06.2016 | 9085 | 0.057 | 57157 | 0.360 |
| | Transfer of shares as on 01.07.2016 | 7298 | 0.046 | 64455 | 0.406 |
| | Transfer of shares as on 08.07.2016 | 5928 | 0.037 | 70383 | 0.443 |
| | Transfer of shares as on 15.07.2016 | 1836 | 0.012 | 72219 | 0.455 |

| Sl. No | Particulars | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|-------------------------------------|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| | Transfer of shares as on 22.07.2016 | 900 | 0.005 | 73119 | 0.460 |
| | Transfer of shares as on 29.07.2016 | 985 | 0.006 | 74104 | 0.466 |
| | Transfer of shares as on 12.08.2016 | 2820 | 0.018 | 76924 | 0.484 |
| | Transfer of shares as on 26.08.2016 | 960 | 0.006 | 77884 | 0.490 |
| | Transfer of shares as on 02.09.2016 | (113) | 0 | 77771 | 0.490 |
| | Transfer of shares as on 09.09.2016 | (1800) | (0.012) | 75971 | 0.478 |
| | Transfer of shares as on 04.11.2016 | (10000) | (0.063) | 65971 | 0.415 |
| | Transfer of shares as on 11.11.2016 | (5971) | (0.037) | 60000 | 0.378 |
| | Transfer of shares as on 18.11.2016 | 261 | 0.001 | 60261 | 0.379 |
| | Transfer of shares as on 25.11.2016 | 3561 | 0.023 | 63822 | 0.402 |
| | Transfer of shares as on 23.12.2016 | 8261 | 0.052 | 72083 | 0.454 |
| | Transfer of shares as on 30.12.2016 | 6487 | 0.041 | 78570 | 0.495 |
| | Transfer of shares as on 06.01.2017 | 147 | 0 | 78717 | 0.495 |
| | Transfer of shares as on 24.02.2017 | 10778 | 0.068 | 89495 | 0.563 |
| | Transfer of shares as on 03.03.2017 | 9653 | 0.061 | 99148 | 0.624 |
| | Transfer of shares as on 10.03.2017 | 7273 | 0.046 | 106421 | 0.670 |
| | Transfer of shares as on 17.03.2017 | 2036 | 0.013 | 108457 | 0.683 |
| | Transfer of shares as on 24.03.2017 | 10821 | 0.068 | 119278 | 0.751 |
| | Transfer of shares as on 31.03.2017 | 6939 | 0.043 | 126217 | 0.794 |
| | A the end of the year | - | - | 126217 | 0.794 |
| 5 | MALLIKA RAVI ** | | | | |
| | At the beginning of the year | - | - | - | - |
| | Transfer of shares as on 10.06.2016 | 89246 | 0.562 | 89246 | 0.562 |
| | At the end of the year | | | 89246 | 0.562 |
| 6 | YASODHA ** | | | | |
| | At the beginning of the year | - | - | - | - |
| | Transfer of shares as on 22.07.2016 | 98871 | 0.622 | 98871 | 0.622 |
| | Transfer of shares as on 29.07.2016 | (1000) | (0.006) | 97871 | 0.616 |
| | Transfer of shares as on 05.08.2016 | (2060) | (0.013) | 95811 | 0.603 |
| | Transfer of shares as on 26.08.2016 | (2000) | (0.013) | 93811 | 0.590 |
| | Transfer of shares as on 02.09.2016 | (877) | (0.005) | 92934 | 0.585 |
| | Transfer of shares as on 21.10.2016 | (500) | (0.003) | 92434 | 0.582 |
| | Transfer of shares as on 28.10.2016 | (100) | (0.001) | 92334 | 0.581 |
| | Transfer of shares as on 04.11.2016 | (750) | (0.005) | 91584 | 0.576 |
| | Transfer of shares as on 11.11.2016 | (500) | (0.003) | 91084 | 0.573 |
| | Transfer of shares as on 18.11.2016 | (1971) | (0.012) | 89113 | 0.561 |

| Sl. No | Particulars | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|-------------------------------------|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| 6 | Transfer of shares as on 25.11.2016 | (1000) | (0.006) | 88113 | 0.555 |
| | Transfer of shares as on 02.12.2016 | (500) | (0.004) | 87613 | 0.551 |
| | Transfer of shares as on 09.12.2016 | (500) | (0.003) | 87113 | 0.548 |
| | Transfer of shares as on 23.12.2016 | (500) | (0.003) | 86613 | 0.545 |
| | Transfer of shares as on 30.12.2016 | (79) | 0 | 86534 | 0.545 |
| | Transfer of shares as on 06.01.2017 | (1500) | (0.01) | 85034 | 0.535 |
| | Transfer of shares as on 13.01.2017 | (500) | (0.003) | 84534 | 0.532 |
| | Transfer of shares as on 20.01.2017 | (500) | (0.003) | 84034 | 0.529 |
| | Transfer of shares as on 10.03.2017 | (2034) | (0.013) | 82000 | 0.516 |
| | Transfer of shares as on 17.03.2017 | (170) | (0.001) | 81830 | 0.515 |
| | Transfer of shares as on 24.03.2017 | (2000) | (0.013) | 79830 | 0.502 |
| | At the end of the year | | | 79830 | 0.502 |
| 7 | M SHIKAR ** | | | | |
| | At the beginning of the year | - | - | - | - |
| | Transfer of shares as on 04.11.2016 | 20767 | 0.131 | 20767 | 0.131 |
| | Transfer of shares as on 11.11.2016 | 2365 | 0.015 | 12365 | 0.078 |
| | Transfer of shares as on 18.11.2016 | (12365) | - | - | - |
| | Transfer of shares as on 18.11.2016 | 2814 | 0.017 | 23581 | 0.148 |
| | Transfer of shares as on 25.11.2016 | 5000 | 0.032 | 28581 | 0.180 |
| | Transfer of shares as on 17.02.2017 | 4109 | 0.026 | 32690 | 0.206 |
| | Transfer of shares as on 24.02.2017 | 28098 | 0.176 | 60788 | 0.382 |
| | Transfer of shares as on 17.03.2017 | 13082 | 0.083 | 73870 | 0.465 |
| | At the end of the year | | | 73870 | 0.465 |
| 8 | RAMLAL KAWARLAL JAIN HUF ** | | | | |
| | At the beginning of the year | - | - | - | - |
| | Transfer of shares as on 04.11.2016 | 35000 | 0.220 | 35000 | 0.220 |
| | Transfer of shares as on 18.11.2016 | 22000 | 0.139 | 57000 | 0.359 |
| | Transfer of shares as on 13.01.2017 | 6860 | 0.043 | 63860 | 0.402 |
| | At the end of the year | | | 63860 | 0.402 |
| 9 | ARUNA R JAIN ** | | | | |
| | At the beginning of the year | - | - | - | - |
| | Transfer of shares as on 04.11.2016 | 5000 | 0.031 | 5000 | 0.031 |
| | Transfer of shares as on 18.11.2016 | 7746 | | 12746 | 0.080 |
| | Transfer of shares as on 25.11.2016 | 41277 | | 54023 | 0.340 |
| | Transfer of shares as on 13.01.2017 | 1900 | | 55923 | 0.352 |
| | At the end of the year | | | 55923 | 0.352 |

| Sl. No | Particulars | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|--|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| 10 | CHANDER BAJAJ | | | | |
| | At the beginning of the year | 52255 | 0.329 | 52255 | 0.329 |
| | Increase/ decrease in shareholding during the year | - | - | - | - |
| | At the end of the year | | | 52255 | 0.329 |
| 11 | S TEJENDRA KUMAR # | | | | |
| | At the beginning of the year | 98871 | 0.622 | 98871 | 0.622 |
| | Transfer of shares as on 22.07.2016 | (98871) | (0.622) | - | - |
| | At the end of the year | | | - | - |
| 12 | RAVI MAHALINGAM # | | | | |
| | At the beginning of the year | 77280 | 0.486 | 77280 | 0.486 |
| | Transfer of shares as on 22.04.2016 | 9753 | 0.062 | 87033 | 0.548 |
| | Transfer of shares as on 29.04.2016 | 2213 | 0.014 | 89246 | 0.562 |
| | Transfer of shares as on 10.06.2016 | (89246) | (0.562) | - | - |
| | At the end of the year | | | - | - |
| 13 | T S JANAKI # | | | | |
| | At the beginning of the year | 64254 | 0.404 | 64254 | 0.404 |
| | Transfer of shares as on 27.05.2016 | (64254) | (0.404) | - | - |
| | At the end of the year | | | - | - |
| 14 | SUGUL AND DAMINI SHARE BROKERS LIMITED # | | | | |
| | At the beginning of the year | 50000 | 0.315 | 50000 | 0.315 |
| | Transfer of shares as on 22.04.2016 | (16350) | (0.103) | 33650 | 0.212 |
| | Transfer of shares as on 29.04.2016 | (9150) | (0.058) | 24500 | 0.154 |
| | Transfer of shares as on 17.06.2016 | (24500) | (0.154) | - | - |
| | Transfer of shares as on 30.09.2016 | 500 | 0.003 | 500 | 0.003 |
| | Transfer of shares as on 07.10.2016 | (500) | (0.003) | - | - |
| | Transfer of shares as on 04.11.2016 | 3000 | 0.019 | 3000 | 0.019 |
| | Transfer of shares as on 11.11.2016 | (3000) | (0.019) | - | - |
| | Transfer of shares as on 13.01.2017 | 800 | 0.005 | 800 | 0.005 |
| | Transfer of shares as on 20.01.2017 | (500) | (0.003) | 300 | 0.002 |
| | Transfer of shares as on 10.02.2017 | 300 | 0.002 | 600 | 0.004 |
| | Transfer of shares as on 17.02.2017 | (600) | (0.004) | - | - |
| | Transfer of shares as on 24.02.2017 | 100 | 0.001 | 100 | 0.001 |
| | Transfer of shares as on 03.03.2017 | (100) | (0.001) | - | - |
| | At the end of the year | | | - | - |

| Sl. No | Particulars | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|--------|--|---|----------------------------------|---|----------------------------------|
| | | No. of shares | % of total shares of the Company | No. of shares | % of total shares of the Company |
| 15 | RAJENDRA KUMAR PUNGALLA # | | | | |
| | At the beginning of the year | 49024 | 0.309 | 49024 | 0.309 |
| | Transfer of shares as on 20.05.2016 | 650 | 0.004 | 49674 | 0.313 |
| | Transfer of shares as on 12.08.2016 | 1275 | 0.008 | 50949 | 0.321 |
| | Transfer of shares as on 30.09.2016 | (344) | (0.002) | 50605 | 0.319 |
| | Transfer of shares as on 28.10.2016 | (31784) | (0.201) | 18821 | 0.118 |
| | Transfer of shares as on 04.11.2016 | (18821) | (0.118) | - | - |
| | At the end of the year | | | - | - |
| 16 | SHARADA P # | | | | |
| | At the beginning of the year | 41458 | 0.261 | 41458 | 0.261 |
| | Increase/ Decrease in shareholding during the year | - | - | - | - |
| | At the end of the year | | | 41458 | 0.261 |

Note:

**Not in the list of Top 10 shareholders as on 31/03/2016. The same has been reflected above since the shareholder was one of the Top 10 shareholder as on 31/03/2017.

Ceased to be in the list of top 10 shareholders as on 31.03.2017. The same is reflected above since the shareholders was one of the top 10 shareholders as on 31.03.2016.

(v) Shareholding of Directors and KMP

| Sl. 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 | SRI S N VARADARAJAN | 10,90,208 | 6.862 | 10,90,208 | 6.862 |
| 2 | SMT D PUSHPA VARADARAJAN | 5,30,208 | 3.337 | 5,30,208 | 3.337 |
| 3 | SRI VINOD NARSIMAN | 1,73,220 | 1.090 | 1,73,220 | 1.090 |
| 4 | SRI S INDER CHAND KOTHARI | 1,44,630 | 0.910 | 1,44,630 | 0.910 |
| 5 | SRI K S MAHADEVAN | 93,000 | 0.585 | 93,000 | 0.585 |
| 6 | SRI BALCHAND B (HUF) | 33,333 | 0.210 | 33,333 | 0.210 |
| 7 | SRI BALCHAND B | 33,333 | 0.210 | 33,333 | 0.210 |
| 8 | SRI K RAMAKRISHNAN | 1,800 | 0.011 | 1,800 | 0.011 |
| 9 | SRI S MAHADEVAN | 32,174 | 0.202 | 32,174 | 0.202 |

V. 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 Indebtedness |
|--|----------------------------------|-----------------|----------|--------------------|
| Indebtedness at the beginning of the Financial Year | | | | |
| i. Principal Amount | 3,503.39 | - | - | 3,503.39 |
| ii. Interest due but not paid | - | - | - | - |
| iii. Interest accrued but not due | 11.51 | - | - | 11.51 |
| Total (i + ii + iii) | <u>3,514.90</u> | - | - | <u>3,514.90</u> |
| Change in Indebtedness during the financial year | | | | |
| - Addition | 500.00 | - | - | 500.00 |
| - Reduction | (1,170.00) | - | - | (1,170.00) |
| Net Change | <u>(670.00)</u> | - | - | <u>(670.00)</u> |
| Indebtedness at the end of the Financial Year | | | | |
| i. Principal Amount | 2,844.45 | - | - | 2,844.45 |
| ii. Interest due but not paid | - | - | - | - |
| iii. Interest accrued but not due | - | - | - | - |
| Total (i + ii + iii) | <u>2,844.45</u> | - | - | <u>2,844.45</u> |

VI. 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 | 6.75 | 12.75 |
| | (b) Value of perquisites u/s 17(2) Income Tax Act, 1961 | 0.72 | 0.32 | 1.04 |
| | (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 | 0.70 | 0.34 | 1.04 |
| | - Others, | - | - | - |
| 5. | Others | | | |
| | (i) Sitting fees | 0.13 | 0.23 | 0.36 |
| | (ii) Meeting Expenses | 0.51 | 0.51 | 1.02 |
| | Total (A) | 8.06 | 8.15 | 16.21 |
| | | Ceiling as per Schedule V of Act | | |

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 Ramakrishnan | | |
| • Fee for attending Board / Committee Meetings | 22,500 | 22,500 | 12,500 | | 57,500 |
| • Commission | 82,300 | 82,300 | - | | 1,64,600 |
| • Others, meeting expenses | 17,500 | 10,000 | 10,000 | | 37,500 |
| Total (1) | 1,22,300 | 1,14,800 | 22,500 | | 2,59,600 |
| 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 | 47,500 | 47,500 | 10,000 | 1,17,500 |
| • Commission | 82,300 | 82,300 | 82,300 | 82,300 | 3,29,200 |
| • Others, specify Meeting expenses | 10,000 | 38,000 | 38,000 | 14,000 | 1,00,000 |
| Total (2) | 1,04,800 | 1,67,800 | 1,67,800 | 1,06,300 | 5,46,700 |
| Total (1 + 2) | 2,27,100 | 2,82,600 | 1,90,300 | 1,06,300 | 8,06,300 |
| Total Managerial Remuneration | | | | | 8,06,300 |
| Overall Ceiling as per the Act | Commission not exceeding 1% of the net profit subject to ceiling of ₹ 6 Lakhs. Sitting fees not exceeding ₹ 1 Lakh per meeting | | | | 26,06,748 |

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

| Sl. No | Particulars of Remuneration | Key Managerial Personnel | | | Total (₹ in Lakhs) |
|--------|---|--------------------------|---------------------------------------|---|-----------------------|
| | | 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 | - | 7.65 | 9.88 | 17.53 |
| | (b) Value of perquisites u/s 17(2) of Income Tax Act, 1961 | - | 2.29 | 0.51 | 2.80 |
| | (c) Profits in lieu of salary under Section 17(3) of Income-Tax Act, 1961 | - | - | - | - |
| | Stock Option | - | - | - | - |
| | Sweat Equity | - | - | - | - |
| | Commission | | | | |
| | - as % of profit | - | - | - | - |
| | - others, specify | - | - | - | - |
| | Others, please specify | - | - | - | - |
| | Total | - | 9.94 | 10.39 | 20.33 |

VII. 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

Sd/-

VINOD NARSIMAN

Managing Director

DIN : 00035746

Sd/-

S.N.VARADARAJAN

Executive Vice-Chairman

DIN : 00035693

Place : Coimbatore

Date : 13th November, 2017

ANNEXURE - 2

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.
- 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 in Office or 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.

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]

to in Sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

1. Details of contracts or arrangements or transactions not on arm's length basis - Not Applicable

2. Details of material contracts or arrangements or transactions at arm's length:

| Name(s) of the related party | 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 and services | 1 st April, 2016 to 31 st March, 2017 | Sale / Purchase of raw materials and purchase of finished goods upto a maximum amount of Rs.150 Crores per annum & Leasing of land, building, plant & machinery and other fixed assets and hiring of staff and personnel for a maximum amount of Rs.10 Crores per annum | Approved by the Audit Committee in its meeting held on 1 st April 2016 and taken on record by the Board in its meeting held on 26th May, 2016. 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 |
| | | Leasing of Land, Building, Plant & Machinery and other fixed assets and hiring of staff and personnel | | | | |
| Indsil Energy and Electrochemicals Private Limited | A Private Limited Company in which Sri S.N.Varadarajan, Executive Vice-Chairman and Sri Vinod Narsiman, Managing Director are interested as Directors/ Shareholders | Sale / Purchase of raw materials and finished goods | 1 st April, 2016 to 31 st March, 2017 | Sale / Purchase of raw materials and purchase of finished goods for a maximum amount of Rs.150 Crores | | |

For and on behalf of the Board

Sd/-

VINOD NARSIMAN

Managing Director

DIN : 00035746

Sd/-

S.N.VARADARAJAN

Executive Vice-Chairman

DIN : 00035693

Place: Coimbatore

Date: 13th November, 2017

ANNEXURE - 4

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.

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 utilising 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 stoking machines. |
| <ul style="list-style-type: none"> 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 | | |
| iv. 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 31st March, 2017 is ₹ 2 Lakhs

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

₹ in Lakhs

| Particulars | 2016-17 | 2015-16 |
|-------------------|----------|----------|
| Earnings (Export) | 4,398.44 | 2,150.94 |
| Expenditure | 4.53 | 3.95 |

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

Sd/-

VINOD NARSIMAN

Managing Director

DIN : 00035746

Sd/-

S.N.VARADARAJAN

Executive Vice-Chairman

DIN : 00035693

Place : Coimbatore

Date : 13th November, 2017

ANNEXURE - 5

Annual Report on Corporate Social Responsibility (CSR) Activities

1. A brief outline of the Company's CSR Policy including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR Policy.

Providing education, medical aid, health care, sanitation, drinking water, rural development, employment

opportunities, old age homes, protection of natural heritage, public libraries, human rights, go green initiatives or any other area prescribed under Schedule VII from time to time. The CSR Policy of the Company has been uploaded on the Company's website and can be accessed at the link '<http://www.indsil.com/policies/>'

2. Composition of CSR Committee:

| S.No | Name | Role in the Committee |
|------|---------------------|-----------------------|
| 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

The average net profit of the Company for the last three financial years is Rs.10,21,57,281/-

4. Prescribed CSR expenditure (2% of Average Net Profit):

The Company was required to spend Rs.20,43,146/- towards CSR during the year.

5. Details of CSR spent for the Financial Year:

- a. Total amount spent for the Financial Year: Rs.4,08,750/-
- b. Amount unspent, if any: Rs.16,34,396/-
- 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 (01.04.2016 to 31.03.2017) | Cumulative expenditure upto the reporting period | Amount spent Direct or through implementing Agency |
|--------|--|---|--|---|---|--|--|
| 1 | Mentally retarded and livelihood project | Health Care | Rajakkad, Idukki Dist, Kerala | 2,30,000 | 2,30,000 | 2,30,000 | Direct |
| 2 | Providing infrastructure for abandoned children and old age women. | Infrastructure | Rajakkad, Idukki Dist, Kerala | 50,000 | 50,000 | 50,000 | Direct |
| 3 | Socio-economic and educational activities to School students | Education | Coimbatore, Tamil Nadu | 1,28,750 | 1,28,750 | 1,28,750 | Direct |
| | Total | | | 4,08,750 | 4,08,750 | 4,08,750 | - |

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

The prescribed amount of CSR expenditure could not be spent totally due to the Company not being able to identify suitable local area projects for CSR activities despite its constant efforts to identify suitable projects. Thus, there was a short fall of Rs.16,34,396/-. The Company would continue its pursuit and strengthen the mechanism to execute all identified local area projects in future and adopt constant monitoring.

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

Sd/-
VINOD NARSIMAN
Managing Director

DIN : 00035746

Sd/-
S.N.VARADARAJAN
*Chairman of CSR Committee
& Executive Vice-Chairman*
DIN : 00035693

Place : Coimbatore

Date : 13th November, 2017

FORM AOC-1

ANNEXURE-6

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

tatement containing salient features of the financial statement of Subsidiary Company / Associate companies /Joint Venture

Part "A" Subsidiary Company

(Information in respect of each subsidiary is presented with amounts in ₹.)

| S. 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 share holding |
|-------|---|---|---|---------------|--------------------|--------------|-------------------|-------------|-------------|------------------------|------------------------|-----------------------|-------------------|--------------------|
| 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 |
| 1 | Sree Mahalakshmi Smelters Private Limited, Gait'hnam, Andhra Pradesh | April '16 to March '17 | INR Exchange rate Not applicable | 4,29,18,570 | (16,59,98,474) | 33,62,38,456 | 17,02,39,982 | - | 36,69,658 | (1,90,16,605) | - | (1,90,16,605) | - | 51% |
| 2 | Indsil Hydro Global (FZE), Sharjah Airport International Freezone (SAIF), UAE | May '16 to April '17 | INR – 17.66 | 26,65,500 | 7,11,529 | 90,85,748 | 2,31,010 | - | 3,32,31,716 | 3,08,29,594 | - | 3,08,29,594 | 4,04,35,063 | 100% |

Note: There are no Subsidiaries which are yet to commence operations or have been liquidated or sold during the year.

Corporate Overview

1-5

Statutory Section

06-87

Financial Section

88-140

Part "B" Associate Companies/ Joint Venture
Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Joint Venture
(Information in respect of each subsidiary is presented with amounts in ₹ .)

| Name of Joint Venture | Latest audited Balance Sheet Date | Share of Joint Venture held by the Company on the year ended 31st March, 2017 | | | 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. of shares | Amount of Investment in Joint Venture (in ₹ .) | Extent of Holding % | | | | Considered in Consolidation | Not Considered in consolidation * |
| Al-Tamman Indsil Ferro Chrome LLC, Sultanate of Oman | 31-Dec-16 | 12,67,834 | 18,03,01,790 | 26.62% | Based on the percentage of shareholding in the Capital of JV | Not Applicable as accounts have been consolidated | 3,66,51,338 | 2,57,45,293 | 7,09,68,805 |

* 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.

* A Merger of Indsil Energy and Electrochemicals Private Limited is proposed and is in progress. Post merger, your Company will be holding 50% in the Joint Venture.

* The Company does not have any Associate/Joint Ventures which are yet to commence operations or have been liquidated or sold during the year.

For and on behalf of the Board

Place: Coimbatore

Date: 13th November 2017

| | |
|-------------------------|-------------------|
| Sd/- | Sd/- |
| S N VARADARAJAN | VINOD NARSIMAN |
| Executive Vice-Chairman | Managing Director |
| DIN: 00035693 | DIN: 00035746 |

ANNEXURE - 7

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 31st March, 2017

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 31st March, 2017 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, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended 31st March, 2017 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 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 :

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.
- d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.
- f. The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding Companies Act and dealing with client.
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.
- h. The Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998.
- i. Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996.

(vii) The following laws, regulations, directions, orders applicable specifically to the Company :

- a. The Electricity Act, 2003
- b. The Electricity Rules, 2005.

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

- (i) Listing Agreement entered into with Stock Exchange.
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (iii) Secretarial Standards under Section 118 of the Companies Act, 2013.

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 :

- a) Issue of securities both equity and / or debt.
- b) Foreign Direct Investment and External Commercial Borrowings.
- c) Buy-back of securities.
- d) Delisting 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. No change occurred in the composition of the Board of Directors during the period covered under the Audit.

Adequate notice and detailed notes on Agenda was given to all Directors at least seven days in advance to schedule the Board Meetings. There exists a system for seeking and obtaining further information and clarifications on the Agenda items before the Meeting and for meaningful participation at the Meeting.

Majority decision is carried through and recorded as part of the minutes. No dissenting views were found in the minutes.

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 not made any specific actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, referred to above.

For KSR & Co Company Secretaries LLP

Sd/-

C.V.Madhusudhanan

Partner

(FCS : 5367 ; CP : 4408)

Place : Coimbatore

Date : 3rd July, 2017

The Members,

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

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record 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.Madhusudhanan

Partner

(FCS : 5367 ; CP : 4408)

Place : Coimbatore

Date : 3rd July, 2017

ANNEXURE - 8

Statement pursuant to 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 is given below:

| S. No. | Name of the Director | Ratio of the remuneration to the median remuneration of the employees |
|--------|---------------------------|---|
| 1 | Sri B.Balchand | Nil |
| 2 | Sri S.N.Varadarajan | 7:1 |
| 3 | Sri Vinod Narsiman | 7:1 |
| 4 | Sri S.Inderchand | Nil |
| 5 | Smt D. Pushpa Varadarajan | Nil |
| 6 | Sri K.S.Mahadevan | Nil |
| 7 | Dr. A.K.Sreedharan | Nil |
| 8 | Dr. T.C.P.Nambiar | Nil |
| 9 | Sri K.Ramakrishnan | 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, if any, in the financial year.

| S. No. | Name of the Director/ CFO/CEO/CS/ Manager | Designation | Percentage increase in Remuneration |
|--------|--|-------------------------|-------------------------------------|
| 1 | Sri S.N.Varadarajan | Executive Vice-Chairman | (-) 49.93 |
| 2 | Sri Vinod Narsiman | Managing Director | (-) 49.93 |
| 3 | Sri S.Mahadevan | Company Secretary | 13.00 |
| 4 | Sri R.Murali | Chief Financial Officer | 16.22 |

- iii. The percentage increase in the median remuneration of employees in the financial year: 7%
- iv. The number of permanent employees on the rolls of Company: 136
- v. 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 already made in the salaries of employees other than the managerial personnel in the last financial year is 7.34% and the percentile increase in the managerial remuneration is 9.3%
- vi. Your Directors affirm that the remuneration is as per the remuneration policy of the Company.

| Sl.NO | NAME | AGE | Remuneration | Designation of the Employee / Duties | Qualification / Experience (Years) | Date of Commencement of Employment | % of share holding | Previous Employment |
|-------|--------------------|-----|--------------|--------------------------------------|--|------------------------------------|--------------------|--|
| 1 | SUBRAMANIAN G | 48 | 12,92,976 | GENERAL MANAGER (OPERATIONS) | B.Sc., 25 Years | 10/10/2012 | Nil | MAITHAN ALLOYS LTD |
| 2 | VENKATRAMAN S | 56 | 12,49,992 | HEAD COMMERCIAL | B Com., (Accounts & Finance) Dip in Materials Management, 32 Years | 31/03/2016 | NIL | MAJAN FERROCHROME LLC, MUSCAT |
| 3 | R MURALI | 56 | 10,40,196 | CFO | M.Com, BL, MBA , 35 Years | 01/04/2013 | Nil | DANGOTE,NIGERIA |
| 4 | MAHADEVAN S | 66 | 9,94,231 | COMPANY SECRETARY | B.sc, FCS; 45 Years | 07/04/1999 | 0.20 | ZEN GLOBAL RESOURCES & ENERGY LIMITED , CHENNAI |
| 5 | PRAVEEN TV | 45 | 9,75,308 | CHIEF MANAGER (PRODUCTION & PROCESS) | DIP (Electronics & Communication), 22 Years | 25/07/2012 | Nil | NA |
| 6 | RAJAN JOSE K | 72 | 7,54,030 | GM (WORKS) | B.sc (Mech Eng), 46 Years | 12/10/2003 | 0.10 | ELGI TREAD (INDIA) LTD |
| 7 | S N VARADARAJAN | 73 | 7,41,794 | EXECUTIVE VICE-CHAIRMAN | B Com, 37 Years | 30/08/1990 | 6.86 | NA |
| 8 | VINOD NARSIMAN | 46 | 7,41,794 | MANAGING DIRECTOR | BE., MBA (University of Michigan) 20 Years | 18/01/1997 | 1.09 | NA |
| 9 | JOSEPH AMIRDARAJ G | 55 | 5,35,418 | GENERAL MANAGER (P & P) | B.Tech (Mech) , 37 Years | 02/04/2008 | Nil | AUTO PRINT MACHINERY MANUFACTURERS PVT LTD, COIMBATORE |
| 10 | ABISHEK THAKUR | 35 | 4,40,666 | AGM MARKETING (SALES) | MBA Finance, 10 Years | 22/11/2016 | Nil | KTC FERRO ALLOYS PVT LTD, VISAKHAPATNAM |

| | | | | | |
|--------------------|-----|-------------------|-------|-------------------|--------|
| Corporate Overview | 1-5 | Statutory Section | 06-87 | Financial Section | 88-140 |
|--------------------|-----|-------------------|-------|-------------------|--------|

Note:

1. All executives are on the permanent rolls of the Company.
2. Sri Vinod Narsiman is the son of Sri S N Varadarajan and therefore as per the definition of 'Relative' under Section 2(77) of the Companies Act, 2013 no other employees mentioned above are related to any of the Directors of the Company.
3. Remuneration includes salary, allowances, contribution to Provident Fund and other taxable perquisites paid during the year.

For and on behalf of the Board

Place: Coimbatore

Date: 13th November, 2017

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

Sd/-
VINOD NARSIMAN
Managing Director
DIN: 00035746

DETAILS OF STOCK OPTIONS PURSUANT TO SEBI (SHARE BASED EMPLOYEE BENEFITS) REGULATIONS, 2014
1. Disclosure in terms of the 'Guidance note on accounting for employee share-based payments' issued by ICAI:

Disclosed in the notes to the financial statements which forms part of this Annual Report.

2. Material Changes in the Scheme:

No material change has been carried out during the year under review. The Scheme was primarily adopted as per the provisions of SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999

and the same was aligned as per the provisions of the SEBI (Share Based Employee Benefits) Regulations, 2015.

3. Diluted EPS on issue of shares pursuant to ESOS:

Not applicable as the Company has not allotted any stock options during the year under review and there are no outstanding options which are yet to be exercised by the employees of the Company.

4. Details related to Employee Stock Option Scheme (ESOS)

- i. A description of each ESOS that existed at any time during the year, including the general terms and conditions of each ESOS, including -

| S. No. | Particulars | Details |
|--------|---|---|
| a. | Date of shareholders' approval | 21.12.2009 |
| b. | Total number of options approved under ESOS | 4,72,453 |
| c. | Vesting requirements | There are two modes of vesting under Indsil ESOS 2015. They are as follows (i) Accelerated Vesting for eligible employees such that all the options granted vest immediately on expiry of 12 months from the effective date. (ii) Graded Vesting shall be made over a period of 4 years from the effective date (Detailed terms of vesting have been enumerated in the Scheme) |
| d. | Exercise price or pricing formula | Rs.10/- |
| e. | Maximum term of options granted | The maximum term of options granted will be for a period of 4 years. |
| f. | Source of shares | Primary |
| g. | Variation in terms of options | There has been no variation in the terms of the options during the year. |

- ii. Method used to account for ESOS: Intrinsic Value Method

difference on profits and on EPS of the company shall also be disclosed.

- iii. Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this

Not applicable as the Company has not allotted any stock options during the year under review and there are no outstanding options which are yet to be exercised by the employees of the Company.

- iv. Option movement during the year

| Particulars | Details |
|--|---------|
| Number of options outstanding at the beginning of the period | Nil |
| Number of options granted during the year | Nil |
| Number of options forfeited / lapsed during the year | Nil |

| Particulars | Details |
|---|---------|
| Number of options vested during the year | Nil |
| Number of options exercised during the year | Nil |
| Number of shares arising as a result of exercise of options | Nil |
| Money realized by exercise of options (INR), if scheme is implemented directly by the company | Nil |
| Loan repaid by the Trust during the year from exercise price received | Nil |
| Number of options outstanding at the end of the year | Nil |
| Number of options exercisable at the end of the year | Nil |

- v. Weighted-average exercise prices and weighted-average fair values of options shall be disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock

Not applicable as the Company has not allotted any stock options during the year under review and

there are no outstanding options which are yet to be exercised by the employees of the Company.

- vi. Employee wise details (name of employee, designation, number of options granted during the year, exercise price) of options granted to –

| S. No. | Category of employees | Details |
|--------|--|---|
| a. | senior managerial personnel; | Not applicable as the Company has not allotted any stock options during the year under review and there are no outstanding options which are yet to be exercised by the employees of the Company. |
| b. | any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year | |
| c. | identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant | |

- vii. A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information

Not applicable as the Company has not allotted any stock options during the year under review and there

are no outstanding options which are yet to be exercised by the employees of the Company.

5. Details related to Trust

- i. General information on all schemes

| S. No. | Particulars | Details |
|--------|---|----------------------|
| 1 | Name of the Trust | ESOS Trust |
| 2 | Details of the Trustee(s) | Dr.K.S.Ravichandhran |
| 3 | Amount of loan disbursed by company / any company in the group, during the year | Nil |
| 4 | Amount of loan outstanding (repayable to company / any company in the group) as at the end of the year | Nil |
| 5 | Amount of loan, if any, taken from any other source for which company / any company in the group has provided any security or guarantee | Nil |
| 6 | Any other contribution made to the Trust during the year | Nil |

ii. Brief details of transactions in shares by the Trust

| S. No. | Particulars | Details |
|--------|--|---------|
| a. | Number of shares held at the beginning of the year | 3342 |
| b. | Number of shares acquired during the year through (i) primary issuance (ii) secondary acquisition, also as a percentage of paid up equity capital as at the end of the previous financial year, along with information on weighted average cost of acquisition per share | Nil |
| c. | Number of shares transferred to the employees / sold along with the purpose thereof | Nil |
| d. | Number of shares held at the end of the year | 3342 |

iii. In case of secondary acquisition of shares by the Trust

Not Applicable as the shares are acquired only through primary issue.

For and on behalf of the Board

Place: Coimbatore

Date: 13th November 2017

Sd/-

S N VARADARAJAN

Executive Vice-Chairman

DIN: 00035693

Sd/-

VINOD NARSIMAN

Managing Director

DIN: 00035746

ANNEXURE - 10

MANAGEMENT DISCUSSION AND ANALYSIS

Regulation 34 read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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 grades of carbon steel.

The year under review, saw a revival in fortunes in terms of the chrome and manganese alloy industries. After almost a 7 year persistent down trend, the year witnessed an uptick in demand and expansion of price realizations.

B. OPPORTUNITIES AND THREATS

The Oman JV Company is expected to perform very well during the year 2017. The JV Company had commenced full scale commercial operations in 2014 and is expected to record its first year of appreciable profits in the year 2017. This is primarily due to uptrend in price realizations of ferro chrome which began during late 2016. During the year under review, the Company took on lease the smelter plant belonging to Sree Mahalakshmi Smelters Pvt Ltd., in Vizianagaram, Andhra Pradesh and commenced operations in the smelter from 2016. The operations of that unit is expected to yield more than ₹ 60 Crores from the Company's top line along with EBIDTA levels of around ₹ 7.5 Crores during the year 2017-18.

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) | 15,685 MT | 11.8 Million Units |
| Sales (MT) | 15,216 MT | 12.2 Million Units |
| Revenue in ₹ Lakhs | 12,138 Lakhs | 598 Lakhs |
| PBDIT in ₹ Lakhs | 915 Lakhs | 480 Lakhs |

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 an unprecedented drought in the catchment areas of the Company's hydro electric power plant and in the broader Idukki Dist., areas. The power plant witnessed such a drought after a gap of almost 14 years. The power generation during the year under review was 11.8 million units (12 months) and as compared to the previous year 26.85 million units (9 months) and as compared to average generation of 41 million units per year.

D. OUTLOOK

The year 2017-18 is expected to be bright and rewarding as compared to the preceding few years on account of the following factors.

- 1) Additional EBIDTA from the Company's newly commenced Andhra Pradesh lease hold operations.
- 2) Additional EBIDTA in the form of dividend from the Oman JV Company Al-Tamman Indsil Ferrochrome LLC.
- 3) Additional EBIDTA from a newly commissioned Metal Recovery Plant as part of the Company's Palakkad operations.
- 4) Revival in monsoon conditions that is expected to yield additional EBIDTA from the power division as compared to the previous year.

E. RISKS AND CONCERNS

Already covered under "Threats".

F. 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 infact play a vital role in productivity, growth, efficiency, improvement etc.,

G. FUTURE PROSPECTS

The Company has, for the present, decided not to make any investments in any new projects related to the industry.

The Company will wait for an appropriate opportunity for considering fresh investments.

H. 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.

I. FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE

₹ in lakhs

| Particulars | 30th June, 2013 | 30th June, 2014 | 30 th June, 2015 | 31 st March, 2016 (9 months) | 31 st March, 2017 (12 months) |
|-------------------------------|--------------------|--------------------|--------------------------------|---|--|
| I. OPERATING RESULTS : | | | | | |
| 1. Sales | 9,761 | 11,633 | 11,112 | 6,527 | 11,560 |
| 2. Operating Profit (PBIDT) | 719 | 1,875 | 2,433 | 1,165 | 1,395 |
| 3. Interest | 296 | 371 | 505 | 381 | 726 |
| 4. Depreciation | 380 | 398 | 427 | 326 | 439 |
| 5. Taxes | 15 | 21 | 286 | 60 | (7.02) |
| 6. Net Income (PAT) | 28 | 1,086 | 1,215 | 399 | 236 |
| 7. Dividend Percentage | 5% | 12% | 12% | 6% | 8% |
| Dividend Amount | 79 | 191 | 191 | 95 | 127 |
| Dividend Tax | 13 | 38 | - | - | - |
| 8. Production | | | | | |
| Ferro Alloys (MT) | 10,429 | 12,640 | 11,173 | 8,107 | 15,685 |
| Power (Lakh KWH) | 149 | 382 | 505 | 269 | 118 |

₹ in lakhs

| Particulars | 30th June, 2013 | 30th June, 2014 | 30th June, 2015 | 31st March, 2016 (9 months) | 31st March, 2017 (12 months) |
|-----------------------------------|--------------------|--------------------|--------------------|-----------------------------------|------------------------------------|
| II. PERFORMANCE PARAMETERS | | | | | |
| 1. Share Capital | 1,589 | 1,589 | 1,589 | 1,589 | 1,589 |
| 2. Reserves & Surplus | 6,006 | 6,863 | 7,926 | 8,230 | 8,339 |
| 3. Secured Loans | 3,996 | 2,292 | 2,633 | 3,503 | 2,844 |
| 4. Deferred Liabilities | 1,370 | 1,507 | 1,491 | 1,462 | 1,655 |
| 5. Fixed Assets (Gross Block) | 9,478 | 9,530 | 9,577 | 9,620 | 9,813 |
| 6. Accumulated Depreciation | (4,995) | (5,390) | (5,817) | (6,142) | (6,581) |
| 7. Investments | 2,166 | 2,192 | 2,192 | 2,192 | 2,186 |
| 8. Net Current Assets | 6,312 | 2,565 | 4,099 | 5,494 | 5,975 |

| Particulars | 30th June, 2013 | 30th June, 2014 | 30th June, 2015 | 31st March, 2016 (9 months) | 31st March, 2017 (12 months) |
|---------------------------------|--------------------|--------------------|--------------------|-----------------------------------|------------------------------------|
| III. RATIOS : | | | | | |
| 1. Profit after tax / sales (%) | 0.32 | 9.33 | 10.93 | 6.12 | 2.05 |
| 2. Return on Net Worth (%) | 0.37 | 12.85 | 12.77 | 4.07 | 2.39 |
| 3. Earnings per Share (₹) | 0.18* | 6.84* | 7.65 | 2.51 | 1.49 |
| 4. Cash Earnings per share (₹) | 2.57* | 9.34* | 10.33 | 4.67 | 4.25 |
| 5. Debt Equity Ratio | 0.05 | 0.23 | 0.23 | 0.31 | 0.70 |
| 6. Book Value Per Share (₹) | 47.80* | 53.20* | 59.89 | 61.80 | 62.49 |

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

J. MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

Number of people employed - 203

Your Company has always endeavoured to retain quality man power talent. Conscious efforts are on to develop a 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

Sd/-
VINOD NARSIMAN
Managing Director
DIN :00035746

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

Place: Coimbatore
Date: 13th November, 2017

REPORT ON CORPORATE GOVERNANCE

The Directors present the Company's Report on Corporate Governance for the year ended March 31, 2017 in terms of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulation").

COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

INDSIL is committed in maintaining the highest levels of Corporate Governance practices which are essential to the enhancement of the stakeholders value and for the 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 endeavouring to become a leading advocate for sustainability in business to create value 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

The Board of Directors of the Company consists of 10 Directors. Sri.S N Varadarajan, Executive Vice-Chairman and Sri.Vinod Narsiman, Managing Director are the Executive Directors and all others are Non-executive Directors (out of which four are Independent Directors and one Woman Director).

The Board met 5 times during the Financial Year on 26th May, 2016, 5th August, 2016, 14th September, 2016, 7th November, 2016 and 9th February, 2017. The composition and attendance of Directors at the Board Meetings and the Annual General Meeting held during the year is as under:-

| Name of the Director | Category | Attendance Particulars | | No. of directorships in other public Companies # | No. of Committee Positions held in other Companies \$ | |
|--|---|------------------------|----------|--|---|--------|
| | | Board meeting | Last AGM | | Chairman | Member |
| Sri.S N Varadarajan (DIN: 00035693) | Executive Vice-Chairman Promoter | 5 | Yes | - | - | - |
| Sri.Vinod Narsiman (DIN: 00035746) | Managing Director Promoter | 5 | Yes | - | - | - |
| Smt.D Pushpa Varadarajan (DIN:00035787) | Non-Executive Non-Independent | 5 | No | - | - | - |
| Sri.S Inderchand (DIN: 00035907) | Non-Executive Non-Independent | 5 | Yes | - | - | - |
| Sri.B Balchand (DIN: 00035878) | Non-Executive Chairman Non-Independent | 5 | Yes | - | - | - |
| Sri.K S Mahadevan (DIN: 00043314) | Non-Executive Non-Independent | 4 | Yes | - | - | - |
| Dr.A K Sreedharan (DIN: 00043167) | Non-Executive Independent | 5 | Yes | 1 | - | - |
| Sri.K Ramakrishnan (DIN: 02797842) | Non-Executive Independent | 5 | No | 1 | - | - |

| Name of the Director | Category | Attendance Particulars | | No. of directorships in other public Companies # | No. of Committee Positions held in other Companies \$ | |
|---|---------------------------|------------------------|----------|--|---|--------|
| | | Board meeting | Last AGM | | Chairman | Member |
| Sri.K Annamalai (DIN: 00751334) (Appointed on 13.11.2017) | Non-Executive Independent | NA | NA | - | - | - |
| Sri.V Dharmaraj (DIN: 07944099) (Appointed on 13.11.2017) | Non-Executive Independent | NA | NA | - | - | - |
| Dr.T C P Nambiar (DIN: 01037496) (Resigned on 13.11.2017) | Non-Executive Independent | 5 | Yes | - | - | - |

Excludes directorships in Private Companies and Foreign Companies

\$ Only Audit Committee and Stakeholders Relationship Committee are considered.

Sri S.N.Varadarajan, Executive Vice-Chairman, Smt. D.Pushpa Varadarajan, Director and Sri Vinod Narsiman, Managing Director of the Company are related to each other. Sri Vinod Narsiman is son of Sri S.N.Varadarajan and Smt D.Pushpa Varadarajan. Other than this, none of the Directors are related to each other.

As per the disclosures received from the Directors, none of the Directors serve as member of more than 10 committees nor are they the Chairman / Chairperson of more than 5 committees, as per the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Statement showing number of Equity Shares held by the Non-Executive Directors as on 31st March, 2017:-

| Name of the Director | No of Shares held (as on 31.03.2017) |
|---------------------------|--------------------------------------|
| Smt. D.Pushpa Varadarajan | 5,30,208 |
| Sri.S Inderchand | 1,44,630 |
| Sri.B Balchand | 66,666 |
| Sri.K S Mahadevan | 93,000 |
| Sri.K Ramakrishnan | 1,800 |

INDEPENDENT DIRECTORS

Familiarization Program for Independent Directors:

A familiarisation programme was conducted by Sri Vinod Narsiman, Managing Director for the Independent Directors on 25th March, 2017 & presentation is made to the Directors on an annual basis / periodical basis, briefing them on the operations of the Company, plans, strategy, risk involved, new initiatives etc., and their opinions and suggestions are taken.

Also, the Directors are briefed on their specific responsibilities and duties that may arise from time to time. Any new Director who joins the Board is presented with a brief background of the Company, its operations and is informed of the important policies of the Company including the Corporate Social Responsibility Policy, Code of Conduct to Regulate, Monitor and Report Trading by Insiders, Code of Practices for Fair Disclosure of Unpublished Price Sensitive Information, Code of Conduct applicable to the Board of Directors including Key Managerial Personnel and Senior Management Personnel, Professional Code of Conduct for Independent and Non-Executive Directors including SMP, Succession Planning for the Board and Senior Management and Whistle Blower Policy.

The details of familiarisation programme is available in the website of the Company: <http://www.indsil.com/policies/>

Performance Evaluation of non-executive and Independent Directors

Pursuant to the provisions of the Companies Act, 2013 and Regulation 37(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the annual performance evaluation of its own performance, the Directors individually as well as the evaluation of the working of its Audit, Nomination and Remuneration Committees. They also evaluated various aspects of the Board such as adequacy of the composition of the Board and its Committees, Board Diversity, execution and performance of specific duties, obligations and governance.

Separate Meeting of the Independent Directors:

The Independent Directors held a Meeting on 21st March, 2017, without the attendance of Non-Independent Directors and members of Management. All the Independent Directors were present at the meeting. The following matters were discussed in detail:

- I) Review of the performance of Non-Independent Directors and the Board as a whole;
- II) Review of the performance of the Chairman of the Company, taking into account the views of Non-Executive Directors.
- III) Assessment of the quality, quantity and timeliness of flow of information between the Company Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

COMMITTEES OF THE BOARD

The Board at present has 8 Committees:

- 1) Audit Committee, 2) Nomination and Remuneration Committee, 3) Stakeholders Relationship Committee

- 4) Corporate Social Responsibility Committee, 5) Share Transfer Committee 6) Compensation Committee 7) Risk Management Committee and 8) Merger Committee.

The Board constitutes the Committees and defines their terms of reference. The Members of the Committees are co-opted by the Board.

AUDIT COMMITTEE

The Audit Committee comprises of two Non-Executive Independent Directors and one Executive Director and all such Members of the Committee possess knowledge in the fields of accounts, finance and allied areas.

The role, powers and functions of the Audit Committee are as per Section 177 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The terms of reference of this Committee are as required by SEBI - under Regulation 18 read with part C of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015. Besides having access to all the required information within the Company, the Committee can obtain external professional advice whenever required. The Committee acts as a link between the Statutory and Internal Auditors and the Board of Directors of the Company. It is authorized to select and establish accounting policies, review reports of the Statutory and the Internal Auditors and meet with them to discuss their findings, suggestions, and other related matters. The Committee is empowered to recommend the appointment and remuneration payable to the Statutory Auditors.

During the year under review, the Committee met five times on 1st April, 2016, 26th May, 2016, 5th August, 2016, 7th November, 2016 and 9th February, 2017. The Composition of the Audit Committee and the attendance of each Member of the Committee is given below.

| Name of the Members | Category | No. of Meetings attended |
|---|--|--------------------------|
| Dr.A K Sreedharan (Chairman) | Non-Executive Independent | 5 |
| Sri Vinod Narsiman (Member) | Executive Director Non- Independent | 5 |
| Dr.T C P Nambiar (Member) (Resigned on 13.11.2017) | Non-Executive Independent | 5 |
| Sri.V Dharmaraj (Member) (Appointed on 13.11.2017) | Non-Executive Independent | NA |

The Company Secretary acts as the Secretary to the Committee. The Statutory Auditors and Internal Auditor and Chief Financial Officer of the Company have also attended the Committee meetings as invitees. The minutes of the Audit Committee meetings were circulated to the Board, where it was discussed and taken note of. The Audit Committee considered and reviewed the accounts for the year 2016-17, before it was placed in the Board.

NOMINATION AND REMUNERATION COMMITTEE

The role, powers and functions of the Nomination and Remuneration Committee are as per Section 178 of the

Companies Act, 2013 and the guidelines set out in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The terms of reference of this Committee are as required by SEBI - under regulation 19 read with part D of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

During the year under review, the Committee had met Four times on 26th May, 2016, 5th August, 2016, 7th November, 2016 and 9th February, 2017.

The Committee comprises of the following Directors as its Members.

| Name of the Members | Category | No. of Meetings attended |
|--|-------------------------------|--------------------------|
| Dr.A K Sreedharan (Chairman) | Non-Executive Independent | 4 |
| Sri.B Balchand (Member) | Non-Executive Non-Independent | 4 |
| Dr.T C P Nambiar (Member) (Resigned on 13.11.2017) | Non-Executive Independent | 4 |
| Sri.V Dharmaraj (Member) (Appointed on 13.11.2017) | Non-Executive Independent | NA |

This Committee would basically look into and determine the Company's policy on remuneration packages of the Executive Directors and Senior Management.

This Committee shall identify the persons, who are qualified to become Directors of the Company / who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and also shall carry out evaluation of every Director's performance. The Committee shall also formulate the criteria for determining qualifications, positive attributes, independence of the Directors and recommend to the Board a Policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees.

The remuneration policy of the Company is annexed to the Board's Report and can also be accessed on the Company's websites at <http://www.indsil.com/policies/>.

DETAILS OF REMUNERATION

Details of remuneration paid to the directors for the year ended March 31, 2017 are as follows:

(i) Executive Directors

Remuneration paid to managerial personnel during the year is given below:

(Amount in Lakhs)

| Name of the Director and Designation | Service Contract | Salary | Perquisites and other benefits | Commission /incentive | Sitting & Meeting Expenses | Total remuneration | Notice Period |
|--|-------------------------------------|--------|--------------------------------|-----------------------|----------------------------|--------------------|-----------------------------|
| Sri.S N Varadarajan, Executive Vice-Chairman | 5 years with effect from 17.11.2014 | 6.0 | 0.72 | 0.70 | 0.64 | 8.06 | As per Rules of the Company |
| Sri.Vinod Narsiman, Managing Director | 5 years with effect from 06.11.2012 | 6.75 | 0.32 | 0.34 | 0.74 | 8.15 | As per Rules of the Company |

(ii) Non-Executive Directors

Non Executive directors are paid Sitting Fees for attending the Board and Committee Meetings and also paid Commission.

The details of Sitting Fees and Commission paid to the Directors for attending Board and Committee Meetings during the year ended 31st March, 2017 are as under:

(Rs.)

| Name of the Director | Sitting Fees | Commission | Others (meeting expenses) | Total Amount |
|--|--------------|------------|---------------------------|--------------|
| Sri.B Balchand | 12,500 | 82,300 | 10,000 | 1,04,800 |
| Smt.D Pushpa Varadarajan | 47,500 | 82,300 | 38,000 | 1,67,800 |
| Sri.S Inderchand | 47,500 | 82,300 | 38,000 | 1,67,800 |
| Sri.K S Mahadevan | 10,000 | 82,300 | 14,000 | 1,06,300 |
| Dr.A K Sreedharan | 22,500 | 82,300 | 17,500 | 1,22,300 |
| Sri.K Ramakrishnan | 12,500 | - | 10,000 | 22,500 |
| Dr.T C P Nambiar (Resigned on 13.11.2017) | 22,500 | 82,300 | 10,000 | 1,14,800 |

There are no pecuniary relationships or transactions of Non-Executive Directors vis-a-vis the Company.

(iii) The criteria of making payments to Non – Executive Directors is appearing on the website of the Company at <http://www.indsil.com>.

(iv) The Company has in place an Employee Stock Option Scheme called 'INDSIL ESOS 2015' which is operated through a Trust.

The Sole Trustee of Employee Stock Option Scheme (ESOS) is Dr. K.S.Ravichandran, M.Com., LLB., FCS., Ph.D., No options were granted under the Scheme during the period under review.

STAKEHOLDERS RELATIONSHIP COMMITTEE

The Committee comprises of the following Directors as its Members:

| Name of the Member | Category | No. of Meetings Held | No. of Meetings Attended |
|-----------------------------------|----------------------------------|----------------------|--------------------------|
| Sri.S Inderchand (Chairman) | Non-Executive Non-Independent | 4 | 4 |
| Smt.D Pushpa Varadarajan (Member) | Non-Executive Non-Independent | 4 | 4 |

Sri.S.Mahadevan, the Company Secretary acts as the Compliance Officer.

The Committee deals in matters relating to transfer and transmission of shares, issue of duplicate share certificates, review of dematerialized shares, redressing of investors complaints such as non-receipt of shares, non-receipt of dividends etc. and other matters related to shares.

The Share Transfers/Transmissions approved by the Committee are placed at the Board Meetings from time to time.

The details of complaints received from the shareholders are as follows:

- Number of Shareholders complaints so far: Nil
- Number of Complaints not resolved to the satisfaction of the shareholders: Nil

- Number of pending complaints: Nil

Pursuant to Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate on half-yearly basis confirming due compliance of share transfer formalities by the Company from Practising Company Secretary has been submitted to the Stock Exchanges within stipulated time.

Unclaimed Suspense Account

Pursuant to Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company had transferred its unclaimed shares to Indsil Hydro Power and Manganese Limited – Demat Suspense Account, maintained with M/s Cholamandalam Securities Limited. The claimed details of the Unclaimed Securities Suspense Account is given below:

| Unclaimed Shares as on 01.04.2016 | | Shares claimed during the period | | Unclaimed Shares as on as on 31.03.2017 | |
|-----------------------------------|--------------|----------------------------------|--------------|---|--------------|
| No of shareholders | No of shares | No of shareholders | No of shares | No of shareholders | No of shares |
| 440 | 67302 | 2 | 2533 | 438 | 64769 |

The voting rights of the shares lying in the Unclaimed Securities Suspense Account will remain frozen till the rightful owner claims the shares

CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

In compliance with the provisions of Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company has constituted the Corporate Social Responsibility Committee.

The terms of reference of this Committee as assigned by the Board encompasses the following:

- To formulate and recommend to the Board, a CSR policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII:

- To recommend the amount of expenditure to be incurred on the activities referred to above:
- To monitor the CSR policy of the Company from time to time :
- Any other matter that may be referred by the Board from time to time or as may be necessary for compliance with the Companies Act, 2013 or Rules made thereunder or any other statutory laws of India:

During the year under review, the Committee had met four times on 26th May, 2016, 5th August, 2016, 7th November, 2016 and 9th February, 2017.

The Committee comprises of the following Directors as its Members:

| Name of the Members | Category | No. of Meetings attended |
|-----------------------------------|-------------------------------------|--------------------------|
| Sri S.N.Varadarajan (Chairman) | Executive Vice-Chairman Promoter | 4 |
| Sri Vinod Narsiman (Member) | Managing Director Promoter | 4 |
| Dr. A.K.Sreedharan (Member) | Non-Executive Independent | 4 |

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report forms part of this Annual Report.

GENERAL BODY MEETINGS

Location and time for last three AGMs held and the special resolutions, if any, passed thereat, are as given below:

| Year | Date of Meeting | Time of Meeting | Venue of the Meeting | Special Resolutions Passed, if any |
|-----------|-----------------|-----------------|--|--|
| 2015-2016 | 14.09.2016 | 10.00 AM | The Indian Chamber of Commerce & Industry, Coimbatore, Chamber Towers, 8/732, Avinashi Road, Coimbatore 641 018. | -Nil- |
| 2014-15 | 16.12.2015 | 11.00 AM | The Indian Chamber of Commerce & Industry, Coimbatore, Chamber Towers, 8/732, Avinashi Road, Coimbatore 641 018. | -Nil- |
| 2013-14 | 19.12.2014 | 10.15 AM | The Indian Chamber of Commerce & Industry, Coimbatore, Chamber Towers, 8/732, Avinashi Road, Coimbatore 641 018. | 1) Approval for Borrowing Powers. 2) Approval for subscription / purchase of shares / issuance of Corporate Guarantees / provision of Loans to Body(ies) Corporate. 3) Approval for Related Party Transactions |

EGM AND POSTAL BALLOT:

During the year no EGM was held. No resolutions were put through postal ballot last year. No Special resolution requiring postal ballot is being proposed.

MEANS OF COMMUNICATION

The quarterly results and annual results are published in newspapers viz. "The Mint" in English and "Makkal Kural" in

Tamil and simultaneously posted on the Company's web site <http://www.indsil.com/financialinformation/>.

The copies of the results are forwarded to concerned Stock Exchanges immediately after they are approved by the Board for publication in their website. The Company has a dedicated help desk with e-mail id indsilho@indsil.com for providing necessary information to investors.

There were no specific presentations made to Institutional Investors or to the analysts during the year.

GENERAL SHAREHOLDER INFORMATION

27th Annual General Meeting

Date and Time : Thursday, the 21st December, 2017 at 10:15 AM

Venue : The Indian Chamber of Commerce & Industry, Coimbatore Chamber Towers, 8/732, Avinashi Road, Coimbatore 641 018.

FINANCIAL CALENDAR

Financial year 1st April 2017 to 31st March 2018

Date of Book closure : 15.12.2017 to 21.12.2017 (both days inclusive)

Dividend Payment Date on or before : 05.01.2018

Stock Price Data:

For the Period: April 2016 to March 2017

| Month & Year | High (Rs.) | Low (Rs.) |
|-----------------|---------------|--------------|
| April, 2016 | 37.00 | 33.00 |
| May, 2016 | 39.00 | 32.30 |
| June, 2016 | 36.50 | 31.80 |
| July, 2016 | 37.00 | 34.10 |
| August, 2016 | 36.40 | 30.15 |
| September, 2016 | 39.00 | 31.75 |
| October, 2016 | 61.15 | 38.00 |
| November, 2016 | 75.70 | 48.80 |
| December, 2016 | 60.00 | 51.70 |
| January, 2017 | 70.30 | 54.15 |
| February, 2017 | 77.45 | 64.55 |
| March, 2017 | 74.80 | 64.85 |

Listing of shares on Stock Exchange

BSE Limited

Phiroze Jeejeebhoy Towers, Dalal Street, Fort ,Mumbai – 400 001.

Annual listing fees for the year 2016-17 was paid to BSE Limited.

STOCK MARKET DATA

Type of Security: Equity

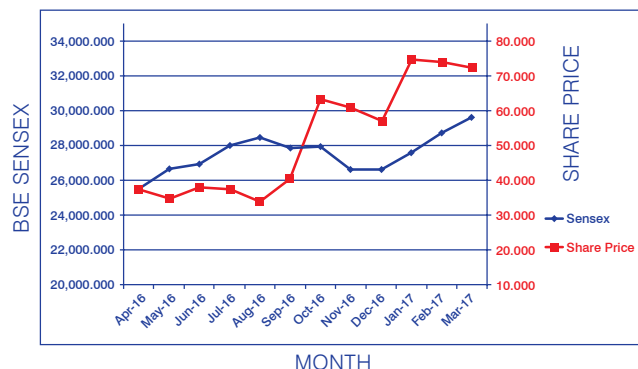
Stock Code:

BSE Limited - 522165

ISIN number allotted for equity shares: INE867D01018

(Fully paid Rs. 10/- each)

Performance in comparison to broad-based indices such as BSE Sensex.



There was no suspension of trading in securities of the Company during the year under review.

Registrars & Share Transfer Agents: (For both physical & demat segments)

S.K.D.C Consultants Ltd.,
 Kanapathy Towers,
 3rd Floor, 1391/A-1, Sathy Road,
 Ganapathy, Coimbatore - 641 006
 Tel : 0422-4958995, 2539836
 Fax : 0422-2539837
 E-mail : info@skdc-consultants.com

Details of Compliance Officer:

Sri S. Mahadevan
 Company Secretary
 Direct Phone : (+91/0) (422) 4522904/5
 e-mail : mahadevan@indsil.com

Share Transfer System

The Company's shares being in compulsory dematerialized (demat) list are transferable through the depository system. Shares in physical form are processed by the Registrar and Share Transfer Agents, S.K.D.C Consultants Limited and approved by the Stakeholders Relationship Committee of the Company. The Share transfers are processed within a period of 15 days from the date of receipt of the transfer documents by S.K.D.C Consultants Limited, if the documents are complete in all respects. All requests for dematerialization of shares are processed and confirmed to the depositories, NSDL and CDSL, within 15 days. The Share Transfer Committee generally meets as and when required to effect the shares received for transfer in physical form.

Categories of Shareholders as on 31st March, 2017

| Category | (₹ 10/- each) | |
|--------------------------------------|---------------|------------|
| | No. of Shares | % To Total |
| PROMOTERS | 8635618 | 54.36 |
| MUTUAL FUNDS | 3000 | 0.02 |
| CENTRAL GOVERNMENT/ STATE GOVERNMENT | 1054166 | 6.64 |
| BODIES CORPORATE | 239825 | 1.51 |
| NON -RESIDENT INDIANS | 198676 | 1.25 |
| HINDU UNDIVIDED FAMILY | 325816 | 2.05 |
| CLEARING MEMBERS | 151140 | 0.95 |
| DIRECTORS AND RELATIVES | 1800 | 0.01 |
| PUBLIC | 5273409 | 33.19 |
| TOTAL | 15,88,67,920 | 100.00 |

Distribution of Shares as on 31st March 2017

| Range (Value in Rs.) | No. of Shareholders | % held (% No. of Shareholders) | Face value of shares (Rs.) | % held (% value) |
|----------------------|---------------------|--------------------------------|----------------------------|------------------|
| Up to 5000 | 5816 | 80.08 | 1,05,87,250 | 6.66 |
| 5001 to 10000 | 725 | 9.98 | 58,47,410 | 3.68 |
| 10001 to 20000 | 330 | 4.54 | 50,42,710 | 3.17 |
| 20001 to 30000 | 104 | 1.43 | 26,06,460 | 1.64 |
| 30001 to 40000 | 63 | 0.87 | 22,57,880 | 1.42 |
| 40001 to 50000 | 45 | 0.62 | 21,05,760 | 1.33 |
| 50001 to 100000 | 79 | 1.09 | 59,71,660 | 3.76 |
| 100001 and above | 101 | 1.39 | 12,44,48,790 | 78.34 |
| TOTAL | 7263 | 100.00 | 15,88,67,920 | 100.00 |

Dematerialization of Shares and liquidity

The Company has arrangement with National Securities Depository Ltd. (NSDL) as well as Central Depository Services (India) Limited (CDSL) for demat facility.

During the financial year 2016-17, 83,686 shares were dematted. As on 31st March, 2017, out of 1,58,86,792 shares, total shares in demat form is 1,53,06,666 shares and 5,80,126 shares in physical form. This represents 96.35% shares of the

Company are in demat form and 3.65% shares are in physical form. The shares are compulsorily tradable in demat form with effect from 26.6.2000 for all investors.

Outstanding GDRs/ADRs/Warrants or any Convertible Instruments and their likely impact on equity

There are no outstanding warrants or any convertible instruments. The Company has not issued GDR/ADR.

Plant locations

Smelter Plant
VI-679 Pallatheri, Elapully,
Palakkad 678 007, Kerala

Rajakkad Hydro Electric Power Plant
VIII/351, Rajakkad,
Idukki Dist 685 566, Kerala

Address for Correspondence

Indsil Hydro Power and Manganese Limited
"INDSIL HOUSE",
T.V. Samy Road (West) ,
R.S. Puram
Coimbatore 641 002
e-mail : indsilho@indsil.com
Tel: (+91/0) (422) 4522922,23,24
Fax: (+91/0) (422) 4522925

(a) Subsidiary Company

Sree Mahalakshmi Smelters Private
Limited (Unit II of Indsil Hydro Power
and Manganese 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

(C) Wholly Owned Subsidiary (WOS)**DISCLOSURES:**

- a) Disclosures on materially significant Related Party Transactions that may have potential conflict with the interest of the Company at large

All the Related Party Transactions are entered on arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large.

The details of the transactions with related party are provided in the Company's financial statements in accordance with the Accounting Standards. All Related Party Transactions are presented to the Audit Committee and the Board. Omnibus approval is obtained for the transactions which are foreseen and repetitive in nature. A statement of all related party transactions is presented before the Audit Committee on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.

Kindly refer to the notes forming part of accounts for the details of Related Party Transactions.

- b) Details of non-compliance by the Company, penalties, structures imposed on the Company by Stock Exchanges or SEBI or any Statutory Authorities, on any matter relating to capital markets, during the last three years.

No Penalties, structures were imposed on the Company by Stock Exchanges or SEBI or any Statutory Authorities, on any matter relating to capital markets, during the last three years.

- c) Whistle Blower policy and affirmation that no personnel have been denied access to the Audit Committee.

The Board of Directors of the Company has adopted the Vigil Mechanism. Employees can report to the

: Indsil Hydro Global (FZE)
SAIF Lounge, P.O.Box 9049
Sharjah Airport International Freezone
(SAIF) UAE

Management concerned unethical behaviour, act or suspected fraud or violation of the Company's Code of Conduct.

A Mechanism has been established for the Employees to report concerns about unethical behavior, actual or suspected fraud, or violation of Code of Conduct and ethics. It also provides for adequate safeguards against the victimization of Employees to avail the Mechanism and allows direct access to the Chairman of the Audit Committee.

The Audit Committee reviews periodically the functions of Whistle Blower Mechanism. No person has been denied to access to the Audit Committee.

- d) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements.

The Company has complied with all the mandatory requirements of Corporate Governance norms as enumerated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

With regard to the discretionary requirements, the Company has adopted clauses relating to the following:

The Company has moved towards a regime of financial statements with unmodified Audit opinion.

The Company has separated the Office of Executive Vice-Chairman and the Managing Director

Reporting of internal Auditors to Audit Committee as recommended in terms of Regulation 27(1) read with part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015,

- e) Web link where policy for determining "material" subsidiaries is disclosed.

The Company has framed a Material Subsidiaries policy and the same is placed on the Company's website and the web-link for the same is <http://www.indsil.com/policies/>

- f) Web link where policy on dealing with related party transactions.

The Company has framed Related Party Transaction Policy and the same is placed on the Company's website and the web link for the same is <http://www.indsil.com/policies/>

- g) Disclosure of commodity price risks and commodity hedging activities.

During the financial year ended 31.03.2017, the Company did not engage in commodity hedging activities

- h) Disclosure on accounting treatment.

In the preparation of the financial statements, the Company has followed the accounting standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

- i) Disclosure on risk management

Business risk evaluation and management is an ongoing process within the Company. The assessment is periodically examined by the Board.

There has been no instance of non-compliance of any requirement of corporate governance report as stated above.

The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Certificate from CEO / CFO.

The Managing Director and CFO certification of the financial statements for the year has been submitted to the Board of Directors, in its meeting held on 13th November, 2017 as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

CODE OF CONDUCT

The Board of Directors has laid down a code of conduct for all Board Members and Senior Management of the Company.

The same has been posted on the website of the Company. All Board Members and Senior Management personnel have affirmed their compliance with the code of conduct for the year under review.

CODE FOR PREVENTION OF INSIDER TRADING

The Company has framed a code of conduct for monitoring the trading done by Insiders based on SEBI (Prohibition of Insider Trading) Regulations, 2015. This code is applicable to all Directors / Officers / Designated Employees.

The Company has also formulated "The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)" in compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015.

DECLARATION FOR CODE OF CONDUCT

I hereby affirm and state that all Board Members and Senior Management personnel of the Company have given a declaration in accordance with Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and I hereby affirm compliance with the said code of conduct for the financial year 2016-2017.

Sd/-

Place: Coimbatore

S N Varadarajan

Date: 13th November, 2017

Executive Vice - Chairman

DIN: 00035693

Certificate on Corporate Governance for the year ended 31.03.2017

To

The Members of M/s. Indsil Hydro Power and Manganese Limited

Dear Sir,

I have examined the compliance conditions of Corporate Governance by M/s Indsil Hydro Power and Manganese Limited (The Company) for the financial year ended March 31, 2017 as stipulated under SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Management. My examination was limited to a review of the procedures and implementations

thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated under SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanation given to me and based on the representations made by the Directors and Management I certify that the Company has complied with the conditions of Corporate Governance as stipulated under SEBI (Listing

Obligations And Disclosure Requirements) Regulations, 2015.

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

Place: Coimbatore

Date: 8th July, 2017

Sd/-

R Ramchandar
Company Secretary
CP NO : 12240

| | | | | | |
|--------------------|-----|-------------------|-------|-------------------|--------|
| Corporate Overview | 1-5 | Statutory Section | 06-87 | Financial Section | 88-140 |
|--------------------|-----|-------------------|-------|-------------------|--------|

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 31st March, 2017 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.

Sd/-
VINOD NARSIMAN
Managing Director
DIN : 00035746

Sd/-
R. MURALI
Chief Financial Officer

Place: Coimbatore
Date: 13th November, 2017

Independent Auditor's 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 31st March, 2017, the Statement of Profit and Loss, the 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments 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.

AUDITOR'S 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 of the standalone financial statements 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal 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. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, 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 31st March, 2017;
- (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, 2016 ("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' 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 31st March, 2017 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure – B'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - g) 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 Note no 2.45 to the 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.
- iv. The Company has provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period starting from 8th November, 2016 and ending on 30th December, 2016 and the same is in accordance with the books of account maintained by the Company.

For RAJA & RAMAN

Chartered Accountants

(Firm's Registration No. 003382S)

Sd/-

E.R. RAJARAM

Partner

(Membership No: 18755)

Place: Coimbatore

Date: 29th May, 2017

Annexure- A to the Independent Auditor's Report

The Annexure referred to in Independent Auditor's report to the Members of M/s INDSIL HYDRO POWER AND MANGANESE LIMITED for the year ended 31st March 2017. We report that

1. (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 during the year which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) The title deeds of all the immovable properties of the Company shown under the Fixed Assets Schedule are held in the name of the Company.
2. The inventories have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of the verification is reasonable and no discrepancies were noticed at the time of verification.
3. The Company has not granted loans, secured or unsecured, to Companies, firms, LLPs, or other parties covered in the register maintained U/s. 189 of the Act, during the year under consideration. The total amount of the loan granted to Subsidiary Company during the previous financial years, which is overdue for a period exceeding 90 days as at 31st March, 2017 is Rs. 23,80,49,428/-.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
5. The Company has not accepted any deposits to which the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 are applicable. Hence Para 3(v) of the Order is not applicable to the Company.
6. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records U/s. 148 of the Companies Act 2013, and are of the opinion that prima facie, the prescribed accounts and records have been made and 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. (a) According to information and explanations given to us and on the basis of our examination of the records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities.
- (b) According to the information and explanations given to us, in our opinion, there is no disputed statutory dues including Wealth tax, Excise duty, Sales Tax, Service tax and Cess payable at the last day of the Financial year concerned for a period more than 6 months from the date they became payable.

Details of dues of Customs duty and Income tax as on 31st March 2017 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, Bengaluru | 2011-12 | Rs. 70,79,422/- |
| The Customs Act 1962 | Customs Duty | CESTAT, Bengaluru | 2012-13 | Rs. 18,89,227/- |
| Income Tax Act, 1961 | Income Tax | Commissioner of Income Tax (Appeals), Coimbatore | 2013-14 | Rs. 49,600/- |
| Income Tax Act, 1961 | Income Tax | Commissioner of Income Tax (Appeals), Coimbatore | 2014-15 | Rs. 26,97,330/- |

8. Based on our audit procedures, we are of the opinion that the Company has not defaulted in repayment of dues to its banks, financial institutions and the Company has not issued any debentures.
9. The Company has not raised any moneys by way of Initial Public Offer / Further Public Offer during the Year. In our opinion, the moneys raised by way of Term Loans during the year were applied for the purposes for which those are raised.
10. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company and no fraud on the Company by its Officers or employees has been noticed or reported during the course of our audit.
11. Based on the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act.
12. The Company is not a Nidhi Company and therefore Clause 3(xii) of the Order is not applicable to the Company.
13. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

14. Based upon the information and explanations given by the management, the Company has not made any preferential allotment or private placement of shares during the year and therefore Clause 3 (xiv) of the Order are not applicable to the Company.
15. The Company has not entered into any non-cash transactions with directors or persons connected with him as stipulated under Section 192 of the Act. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company.
16. In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of Clause 3 (xvi) of the Order are not applicable to the Company.

For RAJA & RAMAN

Chartered Accountants
(Firm's Registration No.
003382S)

Sd/-

E.R. RAJARAM

Partner
(Membership No: 18755)
Place: Coimbatore
Date: 29th May, 2017

Annexure - B to the Independent Auditor's Report

REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

We have audited the internal financial controls over financial reporting of Indsil Hydro Power and Manganese Limited ("the Company") as of 31st March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the

internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note

on Audit of internal financial controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For RAJA & RAMAN

Chartered Accountants
(Firm's Registration No.
003382S)

Sd/-

E.R. RAJARAM

Partner
(Membership No: 18755)

Place: Coimbatore

Date: 29th May, 2017

Balance Sheet as at 31st March, 2017

| Particulars | Note | As at | | (in ₹) | |
|--|------|------------------------------|----------------------|---------------------------------------|----------------------|
| | | 31 st March, 2017 | | As at 31 st March, 2016 | |
| I EQUITY AND LIABILITIES | | | | | |
| 1 Shareholders' Funds | | | | | |
| (a) Share Capital | 2.01 | 15,88,67,920 | | 15,88,67,920 | |
| (b) Reserves and Surplus | 2.02 | 83,39,52,989 | | 82,29,64,714 | |
| | | | 99,28,20,909 | | 98,18,32,634 |
| 2 Non-Current Liabilities | | | | | |
| (a) Long Term Borrowings | 2.03 | 16,62,50,000 | | 15,41,66,665 | |
| (b) Deferred Tax Liability (net) | 2.04 | 1,65,51,119 | | 2,19,41,749 | |
| (c) Long-term Provisions | 2.05 | 12,42,24,084 | | 12,37,43,699 | |
| | | | 30,70,25,203 | | 29,98,52,113 |
| 3 Current Liabilities | | | | | |
| (a) Short Term Borrowings | 2.06 | 6,40,28,413 | | 14,64,66,154 | |
| (b) Trade Payables | 2.07 | | | | |
| Total Outstanding dues of Micro and Small enterprises | | | | | |
| Total Outstanding dues of Creditors other than Micro and Small enterprises | | 20,40,91,585 | | 13,50,87,576 | |
| (c) Other Current Liabilities | 2.08 | 9,99,69,165 | | 9,19,77,340 | |
| (d) Short Term Provisions | 2.09 | 1,89,25,315 | | 1,59,92,083 | |
| | | | 38,70,14,478 | | 38,95,23,153 |
| Total | | | 168,68,60,590 | | 167,12,07,900 |
| II ASSETS | | | | | |
| 1. NON-CURRENT ASSETS | | | | | |
| (a) Fixed Assets | 2.10 | | | | |
| (i) Tangible Assets | | 32,27,62,992 | | 34,67,89,807 | |
| (ii) Capital Work-in-Progress | | | | - | |
| (iii) Intangible assets under development | | 4,83,070 | | 9,65,811 | |
| (b) Non-Current Investments | 2.11 | 21,86,80,590 | | 21,86,80,590 | |
| (c) Long Term Loans and Advances | 2.12 | 16,04,15,490 | | 16,63,07,473 | |
| | | | 70,23,42,142 | | 73,27,43,682 |
| 2. CURRENT ASSETS | | | | | |
| (a) Current investments | 2.13 | 5,74,687 | | 5,48,652 | |
| (b) Inventories | 2.14 | 28,30,61,419 | | 22,87,65,378 | |
| (c) Trade receivables | 2.15 | 23,35,40,913 | | 21,46,93,087 | |
| (d) Cash and Cash equivalents | 2.16 | 4,31,84,095 | | 4,22,70,992 | |
| (e) Short-term loans and advances | 2.17 | 41,73,05,620 | | 44,58,74,825 | |
| (f) Other Current Assets | 2.18 | 68,51,714 | | 63,11,284 | |
| | | | 98,45,18,448 | | 93,84,64,218 |
| Total | | | 168,68,60,590 | | 167,12,07,900 |

As per our report of even date

For **RAJA & RAMAN**

Chartered Accountants

Firm Registration No : 003382S

Sd/-

E.R.RAJARAM

Partner

Membership No : 18755

Sd/-

S.N.VARADARAJAN

Executive Vice-Chairman

DIN : 00035693

Sd/-

VINOD NARSIMAN

Managing Director

DIN : 00035746

Sd/-

S.INDERCHAND

Director

DIN : 00035907

Sd/-

S.MAHADDEVAN

Company Secretary

Sd/-

R.MURALI

Chief Financial Officer

Place : Coimbatore

Dated : 29th May, 2017

Statement of Profit and Loss for the Year Ended 31st March, 2017

| | | (in ₹) | |
|--|------|--|--|
| Particulars | Note | Year ended 31 st March, 2017 | Year ended 31 st March, 2016 |
| INCOME | | | |
| I Revenue from Operations | 2.19 | 115,60,24,666 | 65,26,70,226 |
| II Other Income | 2.20 | 5,73,53,077 | 7,76,87,410 |
| III Total Revenue (I + II) | | 121,33,77,743 | 73,03,57,636 |
| EXPENDITURE : | | | |
| Cost of Materials Consumed | 2.21 | 57,55,05,315 | 30,69,37,874 |
| Purchases of Stock in Trade | | 5,93,73,054 | 4,91,76,916 |
| Changes in inventories of finished goods, work in progress and Stock-in- trade | 2.22 | (3,56,95,393) | 3,65,75,096 |
| Employee benefits expense | 2.23 | 8,83,48,517 | 5,74,63,459 |
| Finance Costs | 2.24 | 7,26,33,788 | 3,80,88,947 |
| Depreciation and Amortization Expense | 2.25 | 4,38,86,549 | 3,25,60,891 |
| Other Expenses | 2.26 | 38,63,30,290 | 16,36,30,269 |
| Total Expenses | | 119,03,82,120 | 68,44,33,452 |
| V Profit before exceptional and extraordinary items and tax (III-IV) | | 2,29,95,623 | 4,59,24,184 |
| VI Extraordinary items | | | |
| VII Profit before tax (V-VI) | | 2,29,95,623 | 4,59,24,184 |
| VIII Tax Expenses | | | |
| Current tax | | 76,72,320 | 1,54,68,857 |
| MAT Adjustment | | (29,83,777) | (61,05,444) |
| Deferred tax | | (53,90,630) | (33,83,790) |
| | | (7,02,086) | 59,79,623 |
| IX Profit for the year (VII + VIII) | | 2,36,97,709 | 3,99,44,561 |
| X Earnings per equity share: | 2.27 | | |
| Basic | | 1.49 | 2.51 |
| Diluted | | 1.49 | 2.51 |

As per our report of even date

For **RAJA & RAMAN**

Chartered Accountants

Firm Registration No : 003382S

Sd/-

E.R.RAJARAM

Partner

Membership No : 18755

Sd/-

S.N.VARADARAJAN

Executive Vice-Chairman

DIN : 00035693

Sd/-

VINOD NARSIMAN

Managing Director

DIN : 00035746

For and on behalf of the Board

Sd/-

S.INDERCHAND

Director

DIN : 00035907

Sd/-

S.MAHADEVAN

Company Secretary

Sd/-

R.MURALI

Chief Financial Officer

Place : Coimbatore

Dated : 29th May, 2017

Notes on Financial Statement for the Year Ended 31st March, 2017

2.1 | SHARE CAPITAL

| Particulars | (in ₹) | |
|--|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2017 | As at 31 st March, 2016 |
| 1. AUTHORISED SHARE CAPITAL: | | |
| 2,00,00,000 Equity shares of Rs. 10/- Each | 20,00,00,000 | 20,00,00,000 |
| 5,00,000 Redeemable Cumulative Preference Shares of Rs.100/- each | 5,00,00,000 | 5,00,00,000 |
| | 25,00,00,000 | 25,00,00,000 |
| 2. ISSUED, SUBSCRIBED AND PAID UP: | | |
| 1,58,86,792 Equity shares of Rs. 10/- each fully paid up | 15,88,67,920 | 15,88,67,920 |
| As on (30th June 2012 : 1,58,86,792 Equity shares of Rs.10/- each) | | |
| 1,58,86,792 Equity shares of Rs. 10/- Each | 15,88,67,920 | 15,88,67,920 |
| As on (30th June 2012 : 1,58,86,792 Equity shares of Rs.10/- each) | | |
| Total | 15,88,67,920 | 15,88,67,920 |

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:

| Particulars | (in ₹) | |
|--|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2017 | As at 31 st March, 2016 |
| Equity Shares | Number | Value |
| Equity Shares at the beginning of the year | 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 |

III | Details of shareholders holding more than 5% of shares

| Particulars | (in ₹) | |
|--|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2017 | As at 31 st March, 2016 |
| SI No. Name of shareholder | No. of Shares held | % of Holding |
| 1. Sunmet Holdings India Private Limited | 55,18,252 | 34.73 |
| 2. S N Varadarajan | 10,90,208 | 6.86 |
| 3. Kerala State Industrial Development Corporation | 10,54,166 | 6.64 |
| Total | 76,62,626 | 48.23 |

IV | Aggregate number of bonus shares issued in the preceding 5 years

| SI No. | Equity Shares | Number of Shares | (in ₹) |
|--------|--|------------------|-------------|
| 1. | Equity shares allotted as fully paid bonus shares pursuant to capitalisation of reserves in 2010-11. | 63,54,717 | 6,35,47,170 |

Notes on Financial Statement for the Year Ended 31st March, 2017 (Contd)

2.02 RESERVES & SURPLUS

| Particulars | As at 31 st March, 2017 | (in ₹) As at 31 st March, 2016 |
|---|---------------------------------------|---|
| 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 @ Rs. 62.40) | - | 2,88,600 |
| 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 | 68,65,11,755 | 65,60,99,269 |
| (+) Profit/(Loss) for the current year | 2,36,97,709 | 3,99,44,561 |
| (-) Proposed Dividends | (1,27,09,434) | (95,32,075) |
| (-) Tax on Proposed Dividends * | - | - |
| Closing Balance | 69,75,00,030 | 68,65,11,755 |
| Closing Balance | 83,39,52,989 | 82,29,64,714 |

2.03 LONG TERM BORROWINGS

| Particulars | As at 31 st March, 2017 | As at 31 st March, 2016 | As at 31 st March, 2017 | (in ₹) As at 31 st March, 2016 |
|-------------------------|---------------------------------------|---------------------------------------|---------------------------------------|---|
| | Non Current | | Current Maturities | |
| 1. Secured | | | | |
| Term loans from Banks | | | | |
| - Rupee Loan | 16,62,50,000 | 15,41,66,665 | 5,41,66,667 | 4,54,16,668 |
| - Foreign Currency Loan | - | - | - | 42,89,056 |
| Total | 16,62,50,000 | 15,41,66,665 | 5,41,66,667 | 4,97,05,724 |

The Company has availed 9 Crores Rupee term loan from Export Import Bank of India repayable in 16 equal quarterly instalments. The Loan is secured by way of pari passu charge on the movable and immovable 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 instalments. The Loan is secured by way of pari passu charge on entire fixed assets and second pari passu charge on the current assets of the Company, and settled during May 2017

The Company has availed 11 Crores Rupee term loan from Yes Bank during the year 2017 repayable in 16 equal quarterly instalments. The Loan is secured by way of pari passu charge on entire fixed assets and second pari passu charge on the current assets of the Company.

The Company has availed 5 Crores Rupee term loan from RBL Bank during the year 2017 repayable in 12 monthly instalments. The Loan is secured by way of pari passu charge on entire fixed assets and second pari passu charge on the current assets of the Company.

Notes on Financial Statement for the Year Ended 31st March, 2017 (Contd)

2.04 DEFERRED TAXES

| | | (in ₹) | |
|--------|---------------------------------|---------------------------------------|---------------------------------------|
| SI No. | Particulars | As at 31 st March, 2017 | As at 31 st March, 2016 |
| 1. | Deferred Tax Liabilities | | |
| | Fixed assets | 1,65,51,119 | 2,19,41,749 |
| | Total | 1,65,51,119 | 2,19,41,749 |

2.05 LONG TERM PROVISIONS

| | | (in ₹) | |
|--------|-----------------------------------|---------------------------------------|---------------------------------------|
| SI No. | Particulars | As at 31 st March, 2017 | As at 31 st March, 2016 |
| 1. | Provision for Gratuity | 1,32,74,654 | 1,27,94,269 |
| 2. | Provision for Electricity demands | 11,09,49,430 | 11,09,49,430 |
| | Total | 12,42,24,084 | 12,37,43,699 |

2.06 SHORT TERM BORROWINGS

| | | (in ₹) | |
|--------|---------------------------------------|---------------------------------------|---------------------------------------|
| SI No. | Particulars | As at 31 st March, 2017 | As at 31 st March, 2016 |
| 1. | Secured | | |
| | Working Capital facilities from Banks | | |
| | - In Rupee | 6,40,28,413 | 14,64,66,154 |
| | Total | 6,40,28,413 | 14,64,66,154 |

Working capital facilities from State Bank of India (Formerly State Bank of Travancore), IDBI Bank Ltd, RBL Bank, The Federal Bank Ltd and Yes Bank Ltd have pari passu first charge on the entire current assets of the Company and pari passu second charge on entire fixed assets of the Company. Working capital facilities from State Bank of India, RBL Bank and Yes Bank Ltd are further guaranteed by the personal guarantee of Sri Vinod Narsiman, Managing Director to the

extent of limit sanctioned.

Working Capital facilities from Banks are repayable on demand and carries interest rates varying from 10% to 12.75% p.a. Packing credit in Foreign Currency is repayable on demand. For Buyers credit In Foreign Currency is repayable on demand.

2.07 TRADE PAYABLES

| | | (in ₹) | |
|--------|---|---------------------------------------|---------------------------------------|
| SI No. | Particulars | As at 31 st March, 2017 | As at 31 st March, 2016 |
| 1. | Dues to Micro, small and medium Enterprises | - | - |
| 2. | Others | 20,40,91,585 | 13,50,87,576 |
| | Total | 20,40,91,585 | 13,50,87,576 |

2.08 | OTHER CURRENT LIABILITIES

| | | (in ₹) | |
|--------|--|---------------------------------------|---------------------------------------|
| Sl No. | Particulars | As at 31 st March, 2017 | As at 31 st March, 2016 |
| 1. | Current maturities of Long term Borrowings (Refer Note No. 2.03) | 5,41,66,667 | 4,97,05,724 |
| 2. | Advance from Customers | - | - |
| 3. | Unclaimed Dividends | 24,30,148 | 23,06,543 |
| 4. | Accrued Employee benefits | 1,00,56,383 | 66,18,427 |
| 5. | Statutory liabilities | 38,62,510 | 23,90,564 |
| 6. | Other Payables | 2,94,53,457 | 3,09,56,082 |
| | Total | 9,99,69,165 | 9,19,77,340 |

2.09 | SHORT TERM PROVISIONS

| | | (in ₹) | |
|--------|---------------------------------|---------------------------------------|---------------------------------------|
| Sl No. | Particulars | As at 31 st March, 2017 | As at 31 st March, 2016 |
| 1. | Proposed Dividend | 1,27,09,434 | 95,32,075 |
| 2. | Tax on Proposed Dividend | - | - |
| 3. | Provision for Employee Benefits | 15,27,338 | 4,80,385 |
| 4. | Provision for Income Tax (Net) | 46,88,543 | 59,79,623 |
| | Total | 1,89,25,315 | 1,59,92,083 |

Notes on Financial Statement for the Year Ended 31st March, 2017 (Contd)**2.10 FIXED ASSETS**

(in ₹)

| Sr. No | Particulars | Cost As on 1.4.16 | ← Gross Block → | | | Depreciaton | | | Net Block | | |
|--------|-------------------------------|-------------------|--------------------------|---------------------------|-----------------------|---------------|--------------|---------------------------|-----------------|--------------------|--------------------|
| | | | Addition during the year | Deduction during the year | Cost As on 31.03.2017 | Upto 31.03.16 | For the year | Deduction during the year | Upto 31.03.2017 | WDV as on 31.03.17 | WDV as on 31.03.16 |
| I | Tangible Assets | | | | | | | | | | |
| 1 | Land | | | | | | | | | | |
| | Industrial Plot | 2,75,48,176 | - | - | 2,75,48,176 | - | - | - | - | 2,75,48,176 | 2,75,48,176 |
| 2 | Building | 29,97,54,064 | 15,94,782 | - | 30,13,48,846 | 15,66,28,959 | 1,00,17,512 | - | 16,66,46,471 | 13,47,02,375 | 14,31,25,105 |
| 3 | Plant and Equipment | 55,80,12,008 | 1,59,28,274 | - | 57,39,40,282 | 40,11,50,176 | 3,04,75,754 | - | 43,16,25,930 | 14,23,14,352 | 15,68,61,832 |
| 4 | Electrical Installation | 2,20,07,214 | 14,52,647 | - | 2,34,59,861 | 2,12,20,011 | 8,83,857 | - | 2,21,03,868 | 13,55,993 | 7,87,203 |
| 5 | Other Equipments | 26,02,663 | - | - | 26,02,663 | 26,02,663 | - | - | 26,02,663 | - | - |
| 6 | Furnitures & Fixtures | 42,52,975 | 32,860 | - | 42,85,835 | 39,27,153 | 2,54,642 | - | 41,81,795 | 1,04,040 | 3,25,822 |
| 7 | Vehicles (Cars) | 56,49,214 | - | - | 56,49,214 | 30,78,140 | 5,36,675 | - | 36,14,815 | 20,34,399 | 25,71,074 |
| 8 | Office Equipment | 52,91,290 | 3,01,430 | - | 55,92,720 | 32,40,756 | 2,67,811 | - | 35,08,567 | 20,84,153 | 20,50,534 |
| 9 | Computer | 65,47,173 | 67,000 | - | 66,14,173 | 65,19,579 | 75,640 | - | 65,95,219 | 18,954 | 27,594 |
| 10 | Tractor & Trailor | 12,10,128 | - | - | 12,10,128 | 12,10,128 | - | - | 12,10,128 | - | - |
| 11 | Transmission Lines | 2,67,04,116 | - | - | 2,67,04,116 | 1,32,11,649 | 8,91,917 | - | 1,41,03,566 | 1,26,00,550 | 1,34,92,466 |
| | SUB TOTAL (A) | 95,95,79,020 | 1,93,76,993 | - | 97,89,56,013 | 61,27,89,213 | 4,34,03,808 | - | 65,61,93,021 | 32,27,62,992 | 34,67,89,807 |
| II | Intangible Assets | | | | | | | | | | |
| | ERP Software | 24,13,704 | - | - | 24,13,704 | 14,47,893 | 4,82,741 | - | 19,30,634 | 4,83,070 | 9,65,811 |
| | SUB TOTAL (B) | 24,13,704 | - | - | 24,13,704 | 14,47,893 | 4,82,741 | - | 19,30,634 | 4,83,070 | 9,65,811 |
| | Total [A + B] (Current Year) | 96,19,92,724 | 1,93,76,993 | - | 98,13,69,717 | 61,42,37,106 | 4,38,86,549 | - | 65,81,23,655 | 32,32,46,062 | 34,77,55,617 |
| | (Previous Year) | 95,76,76,654 | 47,18,341 | 4,02,271 | 96,19,92,724 | 58,16,76,215 | 3,25,71,307 | 10,416 | 61,42,37,106 | 34,77,55,618 | 37,60,00,438 |

Notes on Financial Statement for the Year Ended 31st March, 2017 (Contd)

2.11 | NON CURRENT INVESTMENTS

| Sl No. | Particulars | As at 31 st March, 2017 | (in ₹) As at 31 st March, 2016 |
|--------|---|---------------------------------------|---|
| 1. | Trade Investments - Unquoted Fully paid up | | |
| | In Equity Shares of Other Related Entity - 1,27,500 Indsil Energy & Electrochemicals Pvt Ltd. of ₹ 2/- each (Extent of Holding - 0.61%) | 2,55,000 | 2,55,000 |
| 2. | 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 |
| 3. | In Equity Shares of Joint Venture Company - 1267834 Nos. Al Tamman Indsil Ferro chrome of 142.212 Oman Riyal - each (Extent of Holding - 26.62%.) | 18,03,01,790 | 18,03,01,790 |
| 4. | In Equity Shares of Wholly Owned Subsidiary Company - 150000 Nos. Indsil Hydro Global (FZE) of 1 AED each (Extent of Holding - 100%) | 25,72,500 | 25,72,500 |
| 5. | 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

| Particulars | As at 31 st March, 2017 | (in ₹) As at 31 st March, 2016 |
|---|---------------------------------------|---|
| Unsecured considered good | | |
| a) Other loans and advances (specify nature). | | |
| - Electricity Charges recoverable | 5,31,11,594 | 5,31,11,594 |
| - Security Deposits | 2,36,31,494 | 2,24,83,864 |
| - Rental Advances | 22,64,080 | 23,14,080 |
| - Tax Payment Pending Adjustments | 7,96,02,373 | 8,67,21,543 |
| - Other Loans & Advances | 18,05,949 | 16,76,393 |
| Total | 16,04,15,490 | 16,63,07,473 |

2.13 | CURRENT INVESTMENTS

| Sl No. | Particulars | As at 31 st March, 2017 | (in ₹) As at 31 st March, 2016 |
|--------|--|---------------------------------------|---|
| | Other Investments | | |
| 1. | Investment in Mutual Funds | | |
| | 527 Units in DSP Blackrock Money Manager Fund (Previous year 498 Units) | 5,74,687 | 5,48,652 |
| | Total | 5,74,687 | 5,48,652 |

Notes on Financial Statement for the Year Ended 31st March, 2017 (Contd)

2.14 INVENTORIES

| SI No. | Particulars | As at 31 st March, 2017 | (in ₹) As at 31 st March, 2016 |
|--------|------------------------------|---------------------------------------|---|
| a) | Raw Materials and components | 18,21,94,054 | 16,95,11,165 |
| | Goods in Transit | 2,42,91,905 | 1,87,45,365 |
| b) | Finished goods | 6,79,92,475 | 3,02,03,464 |
| c) | Stores and spares | 14,26,936 | 13,75,325 |
| d) | Others | | |
| | Consumables | 4,26,750 | 2,38,592 |
| | Packing Materials | 3,86,352 | 2,54,902 |
| e) | Power - Banked Energy | 63,42,947 | 84,36,565 |
| | Total | 28,30,61,419 | 22,87,65,378 |

2.15 TRADE RECEIVABLES

| | Particulars | As at 31 st March, 2017 | (in ₹) As at 31 st March, 2016 |
|----|---|---------------------------------------|---|
| 1. | Trade receivables outstanding for a period exceeding six months from the date they are due for payment | | |
| | Unsecured, considered good | | |
| | Susbsidiary Company | | |
| | - Sree Mahalakshmi Smelters Pvt Ltd., | 10,07,09,944 | 7,95,31,548 |
| | Sub Total (A) | 10,07,09,944 | 7,95,31,548 |
| 2. | Trade receivables outstanding for a period less than six months from the date they are due for payment | | |
| | Secured, considered good | 13,28,30,969 | 13,51,61,539 |
| | Unsecured, considered good | - | - |
| | Sub Total (B) | 13,28,30,969 | 13,51,61,539 |
| | Total (A+B) | 23,35,40,913 | 21,46,93,087 |

2.16 CASH AND BANK BALANCES

| | Particulars | As at 31 st March, 2017 | (in ₹) As at 31 st March, 2016 |
|----|--|---------------------------------------|---|
| 1. | Cash and Cash Equivalents | | |
| a) | Balance with Banks - In Current Accounts | 4,12,373 | 1,77,48,821 |
| b) | Cash on hand | 12,29,939 | 5,85,786 |
| c) | Cheques on hand | 5,51,713 | 8,92,921 |
| d) | Fixed Deposits maturing within 3 months | 2,00,000 | 42,19,999 |
| 2. | Other Bank Balances | | |
| a) | Margin money | 3,84,00,441 | 1,65,19,092 |
| b) | Unclaimed Dividend | 23,89,628 | 23,04,373 |
| | Total | 4,31,84,095 | 4,22,70,992 |

Notes on Financial Statement for the Year Ended 31st March, 2017 (Contd)

2.17| SHORT TERM LOANS & ADVANCES

| Particulars | (in ₹) | |
|---|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2017 | As at 31 st March, 2016 |
| 1. Loans and advances to related parties | | |
| Unsecured, considered good | | |
| - Unsecured Loan to Subsidiary Company | 23,80,49,428 | 23,80,49,428 |
| 2. Others | | |
| Balance With Government Authorities | 4,81,40,130 | 3,30,33,210 |
| Unsecured, considered good | | |
| - Advance to Trade suppliers | 5,66,567 | 2,90,545 |
| - Advance to employees | 85,800 | 1,01,050 |
| - Other Advances | 13,04,63,695 | 17,44,00,592 |
| Total | 41,73,05,620 | 44,58,74,825 |

Loan given to Sree Mahalakshmi Smelters Private Limited

Purpose and utilization

Towards payment of electricity bill, interest on term loan and working capital, payment towards raw materials supplied.

2.18| OTHER CURRENT ASSETS

| Particulars | (in ₹) | |
|---------------------------------|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2017 | As at 31 st March, 2016 |
| 1. Export Incentives receivable | 68,51,714 | 63,11,284 |
| Total | 68,51,714 | 63,11,284 |

2.19| REVENUE FROM OPERATIONS

| Particulars | (in ₹) | |
|---|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2017 | As at 31 st March, 2016 |
| 1. Sale of Products: | | |
| - Smelter | 114,08,45,070 | 62,92,07,445 |
| - Power | 5,97,74,852 | 15,43,32,643 |
| - Sale of Raw Materials | 3,30,28,111 | 5,21,36,425 |
| | 123,36,48,034 | 83,56,76,513 |
| 2. Less : Excise duty | (3,05,19,076) | (3,40,98,595) |
| | 120,31,28,958 | 80,15,77,918 |
| 3. Interdivisional Sale of Power | (5,97,74,852) | (15,43,32,643) |
| 4. Other Operating Income | | |
| Export Incentives | 1,26,70,560 | 54,24,951 |
| | 115,60,24,666 | 65,26,70,226 |
| 5. Detail of Revenue from operations | | |
| Silico Manganese & Manganese Ore | 114,33,54,106 | 64,72,45,275 |
| Export Incentives | 1,26,70,560 | 54,24,951 |
| | 115,60,24,666 | 65,26,70,226 |

Notes on Financial Statement for the Year Ended 31st March, 2017 (Contd)

2.20 OTHER INCOME

| SI No. | Particulars | As at 31 st March, 2017 | (in ₹) As at 31 st March, 2016 |
|--------|-----------------------------------|---------------------------------------|---|
| 1. | Interest Income | 39,75,330 | 11,75,542 |
| 2. | Dividend from Current Investments | 26,035 | 43,082 |
| 3. | Dividend from Subsidiaries | 4,04,35,063 | 2,13,85,120 |
| 4. | Profit on Sale of Assets | - | - |
| 5. | Scrap sales | 8,55,457 | 6,06,260 |
| 6. | Income from REC | - | 4,57,99,032 |
| 7. | Miscellaneous Income | 1,20,61,192 | 86,78,374 |
| | Total | 5,73,53,077 | 7,76,87,410 |

2.21 COST OF MATERIALS CONSUMED

| | Particulars | As at 31 st March, 2017 | (in ₹) As at 31 st March, 2016 |
|----|------------------------------|---------------------------------------|---|
| a) | Consumption of Raw Materials | | |
| 1. | Manganese Ore | 39,34,69,026 | 19,96,83,195 |
| 2. | Carbon reducers | 14,57,69,999 | 8,52,32,211 |
| 3. | Quartz | 1,69,28,935 | 1,07,44,210 |
| 4. | Carbon Paste | 1,75,72,273 | 1,09,34,133 |
| 5. | Others | 17,65,082 | 3,44,124 |
| | Sub Total | 57,55,05,315 | 30,69,37,874 |
| 1. | Traded Goods | 5,93,73,054 | 4,91,76,916 |
| | Total | 63,48,78,369 | 35,61,14,790 |

2.22 CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK-IN- TRADE

| | Particulars | As at 31 st March, 2017 | (in ₹) As at 31 st March, 2016 |
|----|------------------------------------|---------------------------------------|---|
| 1. | Finished Goods: Opening Stock | 3,02,03,464 | 6,67,78,560 |
| | Less: Closing Stock | (6,79,92,475) | (3,02,03,464) |
| | | (3,77,89,011) | 3,65,75,096 |
| 2. | Hydro Banked Units : Opening Stock | 84,36,565 | - |
| | Less: Closing Stock | (63,42,947) | - |
| | | 20,93,618 | - |
| | Total | (3,56,95,393) | 3,65,75,096 |

Power & Fuel is net of Interdivisional sale of Hydro Power of Rs. 5,97,74,852/- (Previous year - Rs.15,43,32,643/-) representing units supplied to the grid against which equivalent consumption was made in Smelter plant.

Notes on Financial Statement for the Year Ended 31st March, 2017 (Contd)

2.23 EMPLOYEE BENEFITS EXPENSE

| Particulars | As at 31 st March, 2017 | (in ₹) As at 31 st March, 2016 |
|---|---------------------------------------|---|
| | | |
| 1. Salaries and wages | 7,02,65,178 | 4,67,53,167 |
| 2. Contribution to provident Fund & other Funds | 55,36,603 | 30,05,211 |
| 3. Employee compensation - ESOS amortisation | - | - |
| 4. Provision for Gratuity & Earned Leave Encashment | 4,05,499 | 5,29,996 |
| 5. Staff welfare expenses | 1,21,41,237 | 71,75,085 |
| Total | 8,83,48,517 | 5,74,63,459 |

2.24 FINANCE COSTS

| Particulars | As at 31 st March, 2017 | (in ₹) As at 31 st March, 2016 |
|--------------------------|---------------------------------------|---|
| | | |
| 1. Interest expense | 6,67,94,933 | 3,58,51,437 |
| 2. Other Borrowing Costs | 58,38,855 | 22,37,509 |
| Total | 7,26,33,788 | 3,80,88,947 |

2.25 DEPRECIATION AND AMORTIZATION EXPENSES

| Particulars | As at 31 st March, 2017 | (in ₹) As at 31 st March, 2016 |
|---|---------------------------------------|---|
| | | |
| 1. Depreciation and amortization expenses | 4,38,86,549 | 3,25,60,891 |
| Total | 4,38,86,549 | 3,25,60,891 |

2.26 OTHER EXPENSES

| Particulars | As at 31 st March, 2017 | (in ₹) As at 31 st March, 2016 |
|----------------------------------|---------------------------------------|---|
| | | |
| 1. Power & Fuel (Net) | 29,92,29,024 | 10,67,27,010 |
| 2. Packing, Freight & Forwarding | 1,62,78,728 | 1,29,95,261 |
| 3. Royalty | - | 6,37,227 |
| 4. Communication Expenses | 20,26,374 | 17,77,397 |
| 5. Commission to Other Directors | 2,52,303 | 4,88,716 |
| 6. Directors Sitting Fees | 2,10,000 | 1,55,000 |
| 7. Travelling Expenses | 44,28,092 | 31,58,151 |
| 8. Repairs & Maintenance : | | |
| Plant & Machinery | 1,38,12,800 | 24,06,312 |
| Buildings & Others | 93,27,638 | 54,28,085 |
| 9. Insurance Expenses | 36,06,311 | 8,67,127 |
| 10. Legal Expenses | 11,70,450 | 23,13,100 |
| 11. Professional Charges | 49,65,848 | 33,52,815 |
| 12. Security service charges | 44,55,170 | 29,06,752 |
| 13. Printing and Stationery | 10,36,894 | 7,64,381 |
| 14. Auditors Remuneration | | |
| For Audit | 5,25,000 | 3,54,670 |

Notes on Financial Statement for the Year Ended 31st March, 2017 (Contd)

| Particulars | As at 31 st March, 2017 | (in ₹) As at 31 st March, 2016 |
|---------------------------------|---------------------------------------|---|
| 15. Rent | 55,50,837 | 21,48,179 |
| 16. Rates & Taxes | 18,35,085 | 57,44,498 |
| 17. Subscription | 10,15,699 | 8,86,080 |
| 18. Donation | 19,79,262 | 22,26,951 |
| 19. Sales Promotion expenses | 2,20,830 | 3,28,431 |
| 20. Sales Commission & Discount | 39,35,463 | 67,37,960 |
| 21. Transportation charges | 21,83,530 | 10,26,406 |
| 22. Exchange Fluctuation (Net) | 58,49,805 | (25,01,935) |
| 23. Loss on Sale of Assets | - | - |
| 24. Miscellaneous Expenses | 24,35,147 | 27,01,695 |
| Total | 38,63,30,290 | 16,36,30,269 |

2.27 EARNING PER SHARE

| Particulars | As at 31 st March, 2017 | (in ₹) As at 31 st March, 2016 |
|---|---------------------------------------|---|
| Basic EPS | | |
| Net Profit after Tax | 2,36,97,709 | 3,99,44,561 |
| Weighted average number of equity shares (Face Value of ₹ 10 each) | 1,58,86,792 | 1,58,86,792 |
| Basic EPS (₹) | 1.49 | 2.51 |
| Diluted EPS (₹) | 1.49 | 2.51 |

For **RAJA & RAMAN**

Chartered Accountants

Firm Registration No : 003382S

Sd/-

E.R. RAJARAM

Partner

Membership No : 18755

Sd/-

S.N. VARADARAJAN

Executive Vice-Chairman

DIN : 00035693

Sd/-

VINOD NARSIMAN

Managing Director

DIN : 00035746

Sd/-

S.INDERCHAND

Director

DIN : 00035907

Sd/-

S. MAHADEVAN

Company Secretary

Sd/-

R. MURALI

Chief Financial Officer

Place : Coimbatore

Dated : 29th May, 2017

For and on behalf of the Board

Notes on Financial Statement for the Year Ended 31st March, 2017 (Contd)

I. SIGNIFICANT ACCOUNTING POLICIES

a) Accounting Convention :

- i) The Financial statements have been prepared under the historical cost convention on the accrual basis of accounting and in accordance with the requirements of Accounting Standards prescribed by the Companies (Accounting Standards) Rules, 2006 and the provisions of the Companies Act, 2013, to the extent applicable.

b) Use of Estimates

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

c) Fixed assets and Depreciation

- i) Fixed assets are stated at original cost net of tax / duty credits availed if any, less accumulated depreciation. Cost include pre-operative expenses and all expenses related to acquisition and installation of the concerned assets.
- ii) Depreciation on Fixed assets is provided on straight line method in accordance with the rates specified under Schedule II of the Companies Act, 2013. except the useful life of the Plant and Machinery based on the technical evaluation. As per 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

- a) Current tax on income for the period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income Tax Act, 1961 and based on the expected outcome of assessment/appeals.
- b) Deferred tax is recognised on timing differences between the accounting income and the taxable income for the year, and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.
- c) Deferred tax assets are recognised and carried forward to the extent that there is a reasonable certainty that

Notes on Financial Statement for the Year Ended 31st March, 2017 (Contd)

sufficient future income will be available against which such deferred tax assets can be realised.

i) Retirement Benefits

i) Defined Contribution Plans:

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

ii) Defined Benefit Plans:

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

- j) 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 reflect the current best estimates.

o) Earnings per share

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

p) MAT Credit Entitlement

MAT credit is recognized as an asset only when and to the extent there is convincing evidence that

Notes on Financial Statement for the Year Ended 31st March, 2017 (Contd)

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"

Notes to Financial Statements as on 31st March, 2017

II. OTHER NOTES ON ACCOUNTS.

2.29 | CONTINGENT LIABILITIES

| | As at 31 st March, 2017 | (in ₹) As at 31 st March, 2016 |
|---|---------------------------------------|---|
| a) Letters of Credit issued by Banks on behalf of the Company | 3,10,80,991 | 91,08,000 |
| b) Guarantees issued by Banks on behalf of the Company | 2,33,20,007 | 1,70,00,056 |
| c) Corporate guarantee given in respect of Term loan | 1,13,79,229 | 39,36,14,891 |

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

Notes on Financial Statement for the Year Ended 31st March, 2017 (Contd)

2.30 | DISCLOSURE ON “EMPLOYEE BENEFITS” AS PER AS 15:

| Particulars | As at 31 st March, 2017 | (in ₹) As at 31 st March, 2016 |
|---|---------------------------------------|---|
| i) Defined Contribution Plans: | | |
| Employer's Contribution to Provident and other funds | 55,36,603 | 30,05,211 |
| | Gratuity | |
| ii) Defined Benefit Plans (Non-Funded): | 31.03.2017 | 31.03.2016 |
| Reconciliation of opening and closing balances of Defined Benefit obligations: | | |
| Defined Benefit obligation at beginning of the year | 1,32,74,654 | 1,27,94,269 |
| Interest cost | 10,35,423 | 7,48,465 |
| Current service cost | 8,65,110 | 6,75,816 |
| Benefits paid | - | 0 |
| Actuarial loss/(gain) on obligation | (3,73,195) | (9,43,896) |
| Defined Benefit obligation at the end of the year | 1,48,01,992 | 1,32,74,654 |
| Expenses recognised during the year in the Statement of Profit & Loss | | |
| Current service cost | 8,65,110 | 6,75,816 |
| Interest cost | 10,35,423 | 7,48,465 |
| Expected return on plan assets | - | - |
| Actuarial (gain)/loss | (3,73,195) | (9,43,896) |
| Expenses recognised in the Statement of Profit & Loss | 15,27,338 | 4,80,385 |
| Principal Actuarial Assumptions: | | |
| Discount rate | 7% | 8% |
| Salary Escalation rate | 3% | 7% |
| Attrition 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 31 st March, 2017 | As at 30th June, 2016 | As at 30th June, 2015 | (in ₹) As at 30th June, 2014 |
|--|---------------------------------------|--------------------------|--------------------------|------------------------------------|
| Present Value of obligation | 1,48,01,992 | 1,32,74,654 | 1,27,94,269 | 1,15,59,268 |
| Plan Assets | - | - | - | - |
| Surplus / (Deficit) | 1,48,01,992 | 1,32,74,654 | 1,27,94,269 | 1,15,59,268 |
| Experience adjustments on plan Liabilities | (3,73,195) | (9,43,896) | (6,34,695) | (12,85,997) |
| Experience adjustments on plan Assets | - | - | - | - |

Notes on Financial Statement for the Year Ended 31st March, 2017 (Contd)

2.31 | SEGMENT REPORT

| Particulars | As at 31 st March, 2017 | (in ₹) As at 31 st March, 2016 |
|--|---------------------------------------|---|
| Primary Segments (Business Segments) | | |
| 1. Segment Revenue | | |
| a. Smelter | 115,60,24,666 | 65,26,70,226 |
| b. Hydro Power | 5,97,74,852 | 15,43,32,643 |
| | 121,57,99,518 | 80,70,02,869 |
| Less : Intersegment Revenue | 5,97,74,852 | 15,43,32,643 |
| Net Revenue | 115,60,24,666 | 65,26,70,226 |
| 2. Segment Results | | |
| a. Smelter | 7,04,82,965 | (9,13,78,038) |
| b. Hydro Power | 2,51,20,411 | 17,53,48,087 |
| | 9,56,03,376 | 8,39,70,049 |
| Add / Less : Unallocable Income/Expenses | 26,035 | 43,082 |
| Operating Profit | 9,56,29,411 | 8,40,13,131 |
| Less : Financial Charges | 7,26,33,788 | 3,80,88,947 |
| Total Profit / (Loss) before Tax and extraordinary items | 2,29,95,623 | 4,59,24,184 |
| 3. Capital Employed | | |
| (Segment Assets - Segment Liabilities) | | |
| a. Smelter | 101,79,61,707 | 93,42,84,827 |
| b. Hydro Power | 28,18,84,406 | 34,78,80,304 |
| | 129,98,46,113 | 128,21,65,131 |

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 Private.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), Sri. Vishwaa Narsiman (S/o Sri. Vinod Narsiman) |
| f) Joint Venture | Al-Tamman Indsil Ferro Chrome LLC, |

Notes on Financial Statement for the Year Ended 31st March, 2017 (Contd)

| Particulars | Subsidiary | Joint Venture | Other Related Entity | (in ₹) |
|--------------------------------------|--------------|---------------|----------------------|--------------------------|
| | | | | Key Management Personnel |
| Current Year - (31.03.17) | | | | |
| Sales of Raw Material * | - | - | 3,38,28,973 | - |
| Purchase of Raw Material | 38,53,433 | - | 1,97,01,339 | - |
| Purchase of Finished Goods* | - | - | 7,15,45,853 | - |
| Sales of Finished Goods * | - | - | 30,25,73,871 | - |
| Rent paid | 27,75,000 | - | 20,72,457 | 3,24,000 |
| Directors' Sitting Fees | - | - | - | 1,37,500 |
| Managerial Remuneration | - | - | - | 33,76,019 |
| Unsecured Loan granted to Subsidiary | 23,80,49,428 | - | - | - |
| Balances outstanding | 10,06,82,022 | 28,54,837 | 7,25,23,262 | (1,71,87,209) |
| Previous Year- (31.3.16) | | | | |
| Sales of Raw Material | - | - | 5,91,27,542 | - |
| Purchase of Raw Material | - | - | 35,31,879 | - |
| Purchase of Finished Goods | 5,49,826 | - | 4,91,76,916 | - |
| Sales of Finished Goods | - | - | 25,43,34,128 | - |
| Rent paid | - | - | 13,25,682 | 2,83,500 |
| Directors' Sitting Fees | - | - | - | 45,000 |
| Managerial Remuneration | - | - | - | 42,22,283 |
| Unsecured Loan granted to Subsidiary | 23,80,49,428 | - | - | - |
| Balances outstanding | 7,95,31,548 | 19,99,715 | 5,09,49,311 | (1,78,70,013) |

* Sale and Purchase of Raw material and Finished goods is carried out between related entities at arms length basis adopting fair accounting standards with the prior approval of the Audit Committee.

2.33 INVESTMENT IN MUTUAL FUNDS

| Particulars | Balance as on 1.4.2016 | Purchased/ Reinvested during the year | Redeemed during the year | (in ₹) |
|----------------------------------|------------------------|---|-----------------------------|--------------------------|
| | | | | Balance as on 31.03.2017 |
| DSP Blackrock Money Manager Fund | 5,48,652 | 26,035 | - | 5,74,687 |
| | 546 Units | 26 Units | - | 572 Units |
| Total (Rs.) | 5,48,652 | 26,035 | - | 5,74,687 |

2.34 EXECUTIVE VICE-CHAIRMAN'S REMUNERATION

| Particulars | As at 31 st March, 2017 | (in ₹) As at 31 st March, 2016 |
|-------------|------------------------------------|--|
| | | |
| Salary | 6,00,000 | 4,50,000 |
| Commission | 69,794 | 9,77,425 |
| Perquisites | 72,000 | 54,000 |
| | 7,41,794 | 14,81,425 |

Notes on Financial Statement for the Year Ended 31st March, 2017 (Contd)**2.35** MANAGING DIRECTOR'S REMUNERATION

| | As at 31 st March, 2017 | (in ₹) As at 31 st March, 2016 |
|-------------|---------------------------------------|---|
| Salary | 6,75,000 | 4,50,000 |
| Commission | 34,394 | 9,99,025 |
| Perquisites | 32,400 | 32,400 |
| | 7,41,794 | 14,81,425 |

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

| | As at 31 st March, 2017 | (in ₹) As at 31 st March, 2016 |
|--|---------------------------------------|---|
| Net profit before tax as per Statement of Profit & Loss | 2,29,95,623 | 4,59,24,184 |
| Add: Executive Vice-Chairman's Remuneration | 7,41,794 | 14,81,425 |
| Managing Director's Remuneration | 7,41,794 | 14,81,425 |
| Commission to Non-Executive Directors | 2,47,265 | 4,93,809 |
| Net profit as per Sec.198 of the Companies Act. | 2,47,26,476 | 4,93,80,843 |
| a) Commission payable to Executive Vice-Chairman - 3% of Net profits | 7,41,794 | 14,81,425 |
| b) Commission payable to Managing Director - 3% of Net profits | 7,41,794 | 14,81,425 |
| c) Commission payable to Non-Executive Directors - 1% of Net profits subject to a maximum of Rs.6,00,000/- | 2,47,265 | 4,93,809 |

2.37 VALUE OF IMPORTS (ON CIF BASIS)

| Particulars | As at 31 st March, 2017 | (in ₹) As at 31 st March, 2016 |
|---------------|---------------------------------------|---|
| Raw Materials | 21,22,02,916 | 14,40,37,207 |

2.38 EXPENDITURE IN FOREIGN CURRENCY:

| | | |
|-----------------------|----------|----------|
| Travelling | 1,80,116 | 1,73,275 |
| Subscription & Others | 2,73,019 | 2,21,832 |

2.39 DIVIDEND IN FOREIGN CURRENCY

4,04,35,063 2,13,85,120

2.40 EARNINGS IN FOREIGN EXCHANGE (ON FOB BASIS)

43,98,44,917 21,50,94,906

Notes on Financial Statement for the Year Ended 31st March, 2017 (Contd)

2.41 DETAILS OF SHARES ALLOTTED UNDER EMPLOYEES' STOCK OPTION SCHEME

| Particulars | As at 31 st March, 2017 | | (in ₹) As at 31 st March, 2016 | |
|---|---------------------------------------|-----------|---|-----------|
| | 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 Dividends recommended by Board of Directors is provided for in accounting pending Shareholder's approval.

2.43 All figures are in Rupees unless otherwise stated

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

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

| Particulars | As at 31 st March, 2017 | | (in ₹) As at 31 st March, 2016 | |
|---|---------------------------------------|--|---|--|
| | | | | |
| not later than one year | 48,34,768 | | 21,20,832 | |
| later than one year and not later than five years | 1,05,66,300 | | 91,41,036 | |
| later than five years | 0 | | 0 | |

2.45 As of 31st March, 2017 the following are the details of Derivative contracts

| Value of Forward Contract | Value in ₹ |
|---------------------------|--------------|
| Unexpired Contract | |
| - Export | 1,98,15,120 |
| - Import | 21,70,98,135 |

Notes on Financial Statement for the Year Ended 31st March, 2017 (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. Al Tamman Indsil Ferro Chrome LLC. |
| The Company has invested 12,67,834 OMR in the capital of 47,62,746 equity shares of 1 OMR each which is equivalent to an ownership interest of 26.62% |
| 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. |

| Particulars | (in ₹) | |
|------------------------------|--|--|
| | As at 31 st December, 2016 | As at 31 st December, 2015 |
| Balance Sheet: | | |
| Reserves and Surplus | (14,36,50,452) | (17,90,69,866) |
| Non Current Liabilities | 19,24,98,014 | 30,76,11,174 |
| Current Liabilities | 80,24,67,493 | 68,91,96,241 |
| Fixed Assets (Net) | 56,86,82,326 | 61,62,06,652 |
| Current Assets | 42,62,83,181 | 41,97,39,352 |
| Statement of Profit and Loss | | |
| Income | 1,09,29,13,073 | 98,50,50,716 |
| Expenses | 1,06,71,67,781 | 98,29,29,860 |
| Profit Before Tax | 2,57,45,292 | 21,20,856 |
| Provision of Taxes | - | - |
| Profit After Tax | 2,57,45,292 | 21,20,856 |

Note: The audited accounts of Al-Tamman Indsil Ferro Chrome LLC., Joint Venture for the year ended 31st December, 2016 is based on the International Financial Reporting Standards (IFRS) for the purposes of consolidation with Indsil Hydro Power and Manganese Limited.

2.47 DISCLOSURE ON SPECIFIED BANK NOTES

| |
|---|
| During the year, the Company had Specified Bank Notes(SBNs) or other denomination notes as defined in the MCA notification, G.S.R. 308(E), dated March 31, 2017. The details of SBNs held and transacted during the period from November 8, 2016 to December 30, 2016, the denomination-wise SBNs and other notes as per the notification are as follows: |
|---|

| Particulars | SBNs * | Other denomination notes | Total |
|--|----------|--------------------------|-----------|
| Closing Cash in Hand as on November 8, 2016 | 3,56,000 | 13,43,782 | 16,99,782 |
| Add: Permitted receipts (Including withdrawal from Bank) | - | 16,64,786 | 16,64,786 |
| Less: Permitted payments | | 18,25,612 | 18,25,612 |
| Less: Amount deposited in Banks | 3,56,000 | - | 3,56,000 |
| Closing Cash in Hand as on December 30, 2016 | - | 11,82,956 | 11,82,956 |

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O.3407(E), dated November 8, 2016.

Cash Flow Statement for the Year Ended 31st March 2017

| | | (in ₹) |
|---|--|--|
| Particulars | Year ended 31 st March, 2017 | Year ended 31 st March, 2016 |
| A. CASH FLOW FROM OPERATING ACTIVITIES: | | |
| Net profit / (loss) before tax | 2,29,95,623 | 4,59,24,184 |
| Adjustments for | | |
| Interest Receipts | (39,75,330) | (11,75,542) |
| Dividend Income | (4,04,61,098) | (2,14,28,202) |
| Depreciation | 4,38,86,549 | 3,25,60,891 |
| Employee compensation - ESOS amortisation | | |
| Financial charges & Interest | 7,26,33,788 | 3,80,88,947 |
| Deferred Tax | (53,90,630) | (33,83,790) |
| Profit/Loss on sale of assets | - | - |
| Provision for gratuity and Encashment of earned leave | 4,80,385 | 4,80,385 |
| OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES | 9,01,69,287 | 9,10,66,872 |
| Adjustments for changes in | | |
| Inventories | (5,42,96,041) | 9,72,35,216 |
| Trade receivables | (1,88,47,827) | (3,76,92,946) |
| Other advances | 60,62,172 | (15,58,00,265) |
| Current liabilities | 7,99,29,065 | (3,07,17,315) |
| Cash generated from operations | 10,30,16,657 | (3,59,08,438) |
| Income Tax Payments | 7,02,086 | (59,79,623) |
| NET CASH FLOW FROM OPERATING ACTIVITIES (A) | 10,37,18,743 | (4,18,88,061) |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Assets | (1,93,76,993) | (43,16,072) |
| Sale of Fixed Assets | | |
| Purchase of investments | | |
| Increase/Decrease in Investments | | |
| Interest received | 39,75,330 | 11,75,542 |
| Dividend Income | 4,04,61,098 | 2,14,28,202 |
| NET CASH FLOW FROM INVESTING ACTIVITIES (B) | 2,50,59,435 | 1,82,87,672 |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Issue of share capital | - | - |
| Repayment of Long term borrowings | (4,97,05,724) | (4,31,97,912) |
| Increase in Long term Borrowings | 6,17,89,059 | 14,00,72,911 |
| Increase/(decrease) in Short term Borrowings | (8,24,37,741) | (1,63,90,134) |
| Financial Charges & Interest | (7,26,33,788) | (3,80,88,947) |
| Payment of Dividend & Tax | (1,27,09,434) | (95,32,075) |
| Increase/(decrease) in Long term Loan and advances | 58,91,983 | (1,31,00,600) |
| NET CASH FLOW FROM FINANCING ACTIVITIES (C) | (14,98,05,644) | 1,97,63,244 |
| NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C) | (2,10,27,466) | (38,37,145) |
| Cash and Cash Equivalents as on 1.4.2016 (Opening Balance) | 2,39,96,179 | 2,78,33,324 |
| Cash and Cash Equivalents as on 31.3.2017 (Closing Balance) | 29,68,713 | 2,39,96,179 |
| Note : | | |
| Cash and cash equivalents included in the cash flow statement comprise the following Balance sheet amounts: | | |
| Cash in Hand and balance with Banks | 23,94,026 | 2,34,47,527 |
| Short term Investments in debt based liquid funds | 5,74,687 | 5,48,652 |
| | - | - |
| | 29,68,713 | 2,39,96,179 |

As per our report of even date

For **RAJA & RAMAN**

Chartered Accountants

Firm Registration No : 003382S

Sd/-

E.R.RAJARAM

Partner

Membership No : 18755

Sd/-

S.N.VARADARAJAN

Executive Vice-Chairman

DIN : 00035693

Sd/-

VINOD NARSIMAN

Managing Director

DIN : 00035746

Sd/-

S.INDERCHAND

Director

DIN : 00035907

Sd/-

S.MAHADEVAN

Company Secretary

Sd/-

R.MURALI

Chief Financial Officer

Place : Coimbatore

Dated : 29th May, 2017

Statement In Pursuance of Section 129 of the Companies Act, 2013

| | |
|---|--|
| 1. Name of the Subsidiary Company | Sree Mahalakshmi Smelters Private Ltd |
| 2. Financial of the Subsidiary ended on | 31 st March, 2017 |
| 3. Holding Company's interest in the Subsidiary | 51% (21,88,847 Equity shares of Rs. 10/- each) |
| 4. Net Aggregate amount of the Profit/(Loss) of the Subsidiary and not dealt within the Holding Company's Accounts: | |
| a) for the Current financial year of the Subsidiary Company | ₹ (-) 1,90,16,605/- |
| b) for the previous financial year of the Subsidiary Company | ₹.(-) 2,01,97,971/- |
| 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 Subsidiary Company | - Not Applicable |
| b) for the previous financial year of the Subsidiary Company | - 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 Subsidiary | (in ₹) |
|-----------------------------|---|
| | Sree Mahalakshmi Smelters Private Ltd 2016-17 |
| a) Share Capital | 4,29,18,570 |
| b) Reserves & Surplus | (16,59,98,474) |
| c) Total Assets | 33,62,38,456 |
| d) Total Liabilities | 17,02,39,982 |
| e) Turnover | 36,69,658 |
| f) Details of Investment | - |
| g) Profit/(Loss) Before tax | (1,90,16,605) |
| h) Provision for taxation | - |
| i) Profit/(Loss) After tax | (1,90,16,605) |
| j) Proposed Dividend | - |
| k) Reporting currency | Indian Rupee (₹) |

For and on behalf of the Board

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

Sd/-
VINOD NARSIMAN
Managing Director
DIN : 00035746

Sd/-
S.INDERCHAND
Director
DIN : 00035907

Sd/-
S.MAHADEVAN
Company Secretary

Sd/-
R.MURALI
Chief Financial Officer

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 | 30 th April 2017 |
| 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 | ₹.3,08,29,594/- |
| b) for the previous financial year of the wholly owned Subsidiary | ₹.2,55,18,322 /- |
| 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 Subsidiary | (in ₹) |
|-----------------------------|--------------------------------------|
| | Indsil Hydro Global (FZE) 2016-17 |
| a) Share Capital | 26,65,500 |
| b) Reserves & Surplus | 7,11,529 |
| c) Total Assets | 90,85,748 |
| d) Total Liabilities | 2,31,010 |
| e) Turnover | 3,32,31,716 |
| f) Details of Investment | - |
| g) Profit/(Loss) Before tax | 3,08,29,594 |
| h) Provision for taxation | - |
| i) Profit/(Loss) After tax | 3,08,29,594 |
| j) Proposed Dividend | 4,04,35,063 |
| k) Reporting currency | Indian Rupee (₹) |

For and on behalf of the Board

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

Sd/-
VINOD NARSIMAN
Managing Director
DIN : 00035746

Sd/-
S.INDERCHAND
Director
DIN : 00035907

Sd/-
S.MAHADEVAN
Company Secretary

Sd/-
R.MURALI
Chief Financial Officer

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 31st March 2017, 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 company 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. 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 31st March 2017, and their consolidated profit and their consolidated cash flows for the year ended on that date.

Independent Auditor's Report

OTHER MATTERS

The consolidated financial statements also include the Group's share of net profit of Rs. 4.44 crores for the year ended 31st March 2017, as considered in the consolidated financial statements, Rs. 1.36 crores in respect of Jointly controlled entity and of Rs. 3.08 crores in respect of Wholly owned subsidiary Company, whose financial statements have not been audited by us. These 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 the Subsidiary 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 Subsidiary and 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

- (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 31st March 2017, taken on record by the Board of Directors of the Holding Company and the Subsidiary incorporated in India, none of the Directors of the Group Companies incorporated in India are disqualified as on 31st March 2017 from being appointed as a Director in terms of Section 164 (2) of the Act. The Subsidiary Company and Jointly Controlled entity incorporated outside India in terms of Section 164(2) of the Act are not applicable to them.
- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our Report in "Annexure – A", which is based on the auditor's reports of the Holding Company and Subsidiary Company incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial controls over financial reporting of the Holding Company and Subsidiary Company incorporated in India. The Subsidiary Company and Jointly controlled Entity are incorporated outside India and hence the requirement of section 143(3) are not applicable to them.
- (g) 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 of Annexure-A to the Independent Auditors Report.
 - ii. The Company has Derivative contracts – Refer Note 2.36 to the consolidated financial statements.

Independent Auditor`s Report

- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company.
- iv. The holding Company and the Subsidiary Company incorporated in India have provided requisite disclosures in its financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 and the same is in accordance with the books of account maintained by the Company.

For RAJA & RAMAN

Chartered Accountants

(Firm's Registration No. 003382S)

Sd/-

E.R. RAJARAM

Partner

(Membership No: 18755)

Place: Coimbatore

Date: 29th May, 2017

Annexure - A to the Independent Auditor's Report

REPORT ON THE INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING UNDER CLAUSE (I) OF SUB-SECTION 3 OF SECTION 143 OF THE COMPANIES ACT, 2013 ("THE ACT")

In conjunction with our audit of the Consolidated Financial Statements of the Company as of and for the year ended 31st March 2017, we have audited the internal financial controls over financial reporting of Indsil Hydro Power and Manganese Limited (hereinafter referred to as "the Holding Company") and its Subsidiary Company incorporated in India as of that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The respective Board of Directors of the Holding Company and its Subsidiary Company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company and its Subsidiary Company incorporated in India based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial control system over financial reporting of the aforesaid entities.

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and Directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and

Annexure - A to the Independent Auditor's Report

not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, the Holding Company and its Subsidiary Company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal

Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For RAJA & RAMAN

Chartered Accountants

(Firm's Registration No.
003382S)

Sd/-

E.R. RAJARAM

Partner

(Membership No: 18755)

Place: Coimbatore

Date: 29th May, 2017

Consolidated Balance Sheet as at 31.03.2017

| Particulars | Note | (in ₹) | |
|---|-------------|---------------------------------------|---------------------------------------|
| | | As at 31 st March, 2017 | As at 31 st March, 2016 |
| I. EQUITY AND LIABILITIES | | | |
| Shareholder's Funds | | | |
| (a) Share Capital | 2.1 | 15,88,67,920 | 15,88,67,920 |
| (b) Reserves & Surplus | 2.2 | 55,77,71,850 | 58,36,29,857 |
| (c) Minority interest | | - | - |
| | | 71,66,39,770 | 74,24,97,777 |
| Non-Current liabilities | | | |
| (a) Long-term borrowings | 2.3 | 37,38,21,477 | 48,16,24,386 |
| (b) Deferred Tax liabilities (Net) | | 1,65,51,119 | 2,19,41,749 |
| (c) Other Long term liabilities | 2.4 | 1,63,91,141 | 2,12,63,161 |
| (d) Long-term Provisions | 2.5 | 13,52,53,711 | 13,46,55,069 |
| | | 54,20,17,449 | 65,94,84,365 |
| Current Liabilities | | | |
| (a) Short term borrowings | 2.6 | 55,23,77,085 | 61,61,47,738 |
| (b) Trade payables | 2.7 | | |
| (i) Total Outstanding dues of Micro and Small enterprises | | | |
| (ii) Total Outstanding dues of Creditors other than Micro and Small enterprises | | 35,32,32,183 | 27,93,21,857 |
| (c) Other current liabilities | 2.8 | 28,00,69,662 | 23,68,57,505 |
| (d) Short term provisions | 2.9 | 2,36,47,008 | 1,59,78,331 |
| | | 120,93,25,939 | 114,83,05,431 |
| Total | | 246,79,83,158 | 255,02,87,573 |
| II. ASSETS | | | |
| Non-current assets | | | |
| (a) Fixed assets | 2.10 | | |
| (i) Tangible assets | | 103,28,15,009 | 111,14,10,568 |
| (ii) Intangible assets | | 2,44,06,945 | 3,08,73,154 |
| (b) Non-current investments | 2.11 | 21,50,000 | 21,50,000 |
| (c) Deferred Tax Asset (Net) | | 6,80,34,137 | 6,80,34,137 |
| (d) Long-term loans and advances | 2.12 | 23,80,03,495 | 18,89,17,560 |
| | | 136,54,09,586 | 140,13,85,418 |
| Current assets | | | |
| (a) Current investments | 2.13 | 5,74,687 | 5,48,652 |
| (b) Inventories | 2.14 | 62,43,37,617 | 60,16,69,896 |
| (c) Trade receivables | 2.15 | 24,83,62,601 | 23,84,93,480 |
| (d) Cash and Cash equivalents | 2.16 | 4,55,62,321 | 4,90,66,818 |
| (e) Short-term loans and advances | 2.17 | 17,68,84,633 | 25,28,12,023 |
| (f) Other current assets | 2.18 | 68,51,714 | 63,11,285 |
| | | 110,25,73,572 | 114,89,02,154 |
| Total | | 246,79,83,158 | 255,02,87,573 |
| Significant Accounting Policies | I to III | | |
| Notes on Financial Statements | 2.1 to 2.37 | | |

As per our report of even date

For **RAJA & RAMAN**

Chartered Accountants

Firm Registration No : 003382S

Sd/-

E.R.RAJARAM

Partner

Membership No : 18755

Place : Coimbatore

Dated : 29th May, 2017

For and on behalf of the Board

Sd/-

S.N.VARADARAJAN

Executive Vice-Chairman

DIN :00035693

Sd/-

VINOD NARSIMAN

Managing Director

DIN :00035746

Sd/-

S.INDERCHAND

Director

DIN :00035907

Sd/-

S.MAHADEVAN

Company Secretary

Sd/-

R.MURALI

Chief Financial Officer

Consolidated Statement of Profit and Loss Account for the Year Ended 31st March, 2017

| Particulars | Note | (in ₹) | |
|--|-------------|---------------------------------------|---------------------------------------|
| | | As at 31 st March, 2017 | As at 31 st March, 2016 |
| I Revenue from operations | 2.19 | 224,40,56,772 | 172,09,88,583 |
| II Other Income | 2.20 | 3,78,44,983 | 7,98,14,517 |
| III Total Revenue (I + II) | | 228,19,01,755 | 180,08,03,100 |
| IV Expenses | | | |
| Cost of Materials Consumed | 2.21 | 104,97,84,309 | 83,71,30,582 |
| Purchases of Stock in Trade | 2.22 | 5,93,73,054 | 4,91,76,916 |
| Changes in inventories of finished goods, work in progress and Stock-in- trade | 2.23 | 6,11,79,695 | 5,98,25,941 |
| Employee benefits expenses | 2.24 | 13,24,68,081 | 8,51,43,974 |
| Finance Costs | 2.25 | 10,89,00,345 | 9,43,32,632 |
| Depreciation and amortization | 2.26 | 10,96,34,809 | 9,02,52,431 |
| Other expenses | 2.27 | 74,63,12,869 | 57,23,66,248 |
| Total Expenses | | 226,76,53,162 | 178,82,28,724 |
| V Profit before exceptional and extraordinary items and tax | | 1,42,48,593 | 1,25,74,377 |
| VI Extraordinary items | | - | - |
| VII Profit before tax & Minority Interest | | 1,42,48,593 | 1,25,74,377 |
| Add: Profit / (loss) attributable to Minority Interest | | | |
| VIII Profit before tax | | 1,42,48,593 | 1,25,74,377 |
| IX Tax expense: | 2.28 | | |
| (1) Current tax | | 76,72,320 | 1,54,68,857 |
| (2) Deferred tax | | (53,90,630) | (33,83,790) |
| (3) MAT Credit Entitlement | | (29,83,777) | (61,05,444) |
| | | (7,02,086) | 59,79,623 |
| X Profit/(Loss) for the period | | 1,49,50,680 | 65,94,754 |
| XI Earnings per equity share: | 2.29 | | |
| (1) Basic | | 0.94 | 0.42 |
| (2) Diluted | | 0.94 | 0.42 |
| Significant Accounting Policies | I to III | | |
| Notes on Financial Statements | 2.1 to 2.37 | | |

As per our report of even date

For **RAJA & RAMAN**

Chartered Accountants

Firm Registration No : 003382S

Sd/-

E.R.RAJARAM

Partner

Membership No : 18755

Place : Coimbatore

Dated : 29th May, 2017

For and on behalf of the Board

Sd/-

S.N.VARADARAJAN

Executive Vice-Chairman

DIN :00035693

Sd/-

VINOD NARSIMAN

Managing Director

DIN :00035746

Sd/-

S.INDERCHAND

Director

DIN :00035907

Sd/-

S.MAHADEVAN

Company Secretary

Sd/-

R.MURALI

Chief Financial Officer

Consolidated Notes to Financial Statements for the Period Ended 31st March, 2017

2.1 | SHARE CAPITAL

| Particulars | (in ₹) | |
|---|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2017 | As at 31 st March, 2016 |
| AUTHORISED | | |
| 2,00,00,000 Equity shares of Rs. 10/- Each | 20,00,00,000 | 20,00,00,000 |
| 5,00,000 Redeemable Cumulative Preference Shares of Rs.100/- each | 5,00,00,000 | 5,00,00,000 |
| Total | 25,00,00,000 | 25,00,00,000 |
| ISSUED | | |
| 1,58,86,792 Equity shares of Rs. 10/- each fully paid up | 15,88,67,920 | 15,88,67,920 |
| SUBSCRIBED AND PAID UP CAPITAL | | |
| 1,58,86,792 Equity shares of Rs. 10/- Each | 15,88,67,920 | 15,88,67,920 |

(a) Terms/rights attached to equity shares:

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

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

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

| Name of Shareholder | As at | | (in ₹) | |
|---|------------------------------|--------------|------------------------------|--------------|
| | 31 st March, 2017 | | As at | |
| | | | 31 st March, 2016 | |
| | 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% |
| S N Varadarajan | 10,90,208 | 6.86% | 10,90,208 | 6.86% |
| Kerala State Industrial Development Corporation | 10,54,166 | 6.64% | 10,54,166 | 6.64% |
| Total | 76,62,626 | 48.23 % | 76,62,626 | 48.23 % |

(d) AGGREGATE NUMBER OF BONUS SHARES ISSUED IN THE PRECEDING 5 YEARS:

| Equity Shares | No. of Shares | 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 Period Ended 31st March, 2017 (Contd)

2.2 RESERVES & SURPLUS

| Particulars | (in ₹) | |
|---|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2017 | As at 31 st March, 2016 |
| Securities Premium Account : | | |
| Opening balance | 96,92,956 | 96,92,956 |
| Add: Credit on Exercise of ESOS Shares during the year | | - |
| (No. of shares issued : 4,625 shares @ Rs. 62.40 & 16,125 shares @ Rs. 13.95) | | - |
| 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 |
| Surplus : | | |
| Opening balance | 56,54,33,507 | 54,69,85,708 |
| (+) Net Profit/(Net Loss) for the current year | 1,49,50,680 | 2,79,79,874 |
| (+) Loss attributable to Minority Interest (to the extent available) | - | - |
| (-) Proposed Dividends | (1,27,09,434) | (95,32,075) |
| (+) Transfer from reserves- security premium | | - |
| (-) Tax on proposed dividend | | - |
| Closing balance | 56,76,74,754 | 56,54,33,507 |
| Opening Reserve | (11,82,56,609) | (5,92,14,812) |
| Current Year Movement | (2,80,99,253) | (5,90,41,797) |
| | (14,63,55,862) | (11,82,56,609) |
| Closing Balance | 55,77,71,850 | 58,36,29,857 |

2.3 LONG TERM BORROWINGS

| Particulars | (in ₹) | |
|--|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2017 | As at 31 st March, 2016 |
| Secured | | |
| Term loans | | |
| - Rupee term loans from Banks | 17,90,08,457 | 46,29,18,238 |
| - Foreign Currency term loans | 17,61,06,873 | - |
| Unsecured | | |
| Loans & Advances from Related Parties | - | |
| - Indsil Energy and Electrochemicals Private Limited | 1,87,06,148 | 1,87,06,148 |
| Total | 37,38,21,477 | 48,16,24,386 |

1. The Company has availed 5 Crores Rupee term loan from Export Import Bank of India repayable in 16 equal quarterly instalments. The Loan is secured by way of pari passu charge on the movable and immovable assets of the Company and second pari passu charge on the entire current assets of the Company.

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

Consolidated Notes to Financial Statements for the Period Ended 31st March, 2017 (Contd)

2.4 | OTHER LONG TERM LIABILITIES

| Particulars | (in ₹) | |
|-------------------------|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2017 | As at 31 st March, 2016 |
| Finance Lease Liability | 1,32,43,402 | 1,91,93,151 |
| End of service Benefits | 31,47,739 | 20,70,010 |
| Total | 1,63,91,141 | 2,12,63,161 |

2.5 | LONG TERM PROVISIONS

| Particulars | (in ₹) | |
|--|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2017 | As at 31 st March, 2016 |
| Provision for Employee Benefits | | |
| - Provision for Gratuity | 1,32,74,654 | 1,32,74,654 |
| - Electricity Charges | 12,19,79,057 | 12,13,80,415 |
| Total | 13,52,53,711 | 13,46,55,069 |

2.6 | SHORT TERM BORROWINGS

| Particulars | (in ₹) | |
|--------------------------|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2017 | As at 31 st March, 2016 |
| Secured | | |
| From Banks | | |
| - Rupee Loan | 6,40,28,413 | 61,61,25,659 |
| - Foreign Currency Loan | 48,83,48,672 | - |
| Loan repayable on demand | - | 22,079 |
| Total | 55,23,77,085 | 61,61,47,738 |

1. Working capital facilities from State Bank of India (Formerly State Bank of Travancore), IDBI Bank Ltd, RBL Bank, The Federal Bank Ltd and Yes Bank Ltd have pari passu first charge on the entire current assets of the Company and pari passu second charge on entire fixed assets of the Company. Working capital facilities from State Bank of India (Formerly State Bank of Travancore), RBL Bank and Yes Bank Ltd are further guaranteed by the personal guarantee of Sri Vinod Narsiman, Managing Director to the extent of limit sanctioned.

2. Working Capital facilities from Banks are repayable on demand and carries interest rates varying from 10% to 14% p.a. Packing credit in Foreign Currency is repayable on demand and carries interest LIBOR PLUS 250 BPS to LIBOR PLUS 300 BPS. For Buyers credit in Foreign Currency is repayable on demand and carries interest LIBOR PLUS 60 BPS to LIBOR PLUS 150 BPS.

Consolidated Notes to Financial Statements for the Period Ended 31st March, 2017 (Contd)

2.7 TRADE PAYABLES

| Particulars | (in ₹) | |
|---|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2017 | As at 31 st March, 2016 |
| Dues to Micro, Small and Medium Enterprises | | - |
| Dues to others | 35,32,32,183 | 27,93,21,857 |
| Total | 35,32,32,183 | 27,93,21,857 |

2.8 OTHER CURRENT LIABILITIES

| Particulars | (in ₹) | |
|---|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2017 | As at 31 st March, 2016 |
| Advance from Customers | - | - |
| Unpaid Dividend | 24,30,148 | 23,06,543 |
| Accrued Employee benefits | 1,00,56,383 | 66,18,427 |
| Statutory Liabilities | 38,83,069 | 23,90,563 |
| Current Portion of Long Term Borrowings/Lease Liability | 69,57,396 | 12,13,96,667 |
| Accruals | - | - |
| Bank Over draft | - | - |
| Other payables | 7,51,71,418 | 3,11,77,231 |
| Term Loan Repayable within One year | 18,15,71,249 | 7,29,68,074 |
| Total | 28,00,69,662 | 23,68,57,505 |

2.9 SHORT TERM PROVISIONS

| Particulars | (in ₹) | |
|---|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2017 | As at 31 st March, 2016 |
| Employee benefits payable | 60,22,711 | 3,42,248 |
| Other Short Term provisions | 2,26,321 | 1,24,385 |
| Provision for Income Tax | 46,88,543 | 59,79,623 |
| Proposed Dividend & Corporate Dividend Tax on proposed Dividend | 1,27,09,434 | 95,32,075 |
| Total | 2,36,47,008 | 1,59,78,331 |

Consolidated Notes to Financial Statements for the Period Ended 31st March, 2017 (Contd)

2.10 FIXED ASSETS

(in ₹)

| Sr. No | Particulars | Gross Block | | | Depreciation | | | | Net Block | | | |
|--------|--|-----------------------|---------------------------|-----------|-----------------------|-----------------|----------------|-----------|-------------------------------|-----------------|------------------|------------------|
| | | Cost as at 01.04.2016 | Additions during the year | Deletions | Cost as at 31.03.2017 | Upto 01.04.2016 | For the period | Withdrawn | Adjusted in Reserve / P&L A/c | Upto 31.03.2017 | As at 31.03.2017 | As at 31.03.2016 |
| I | Tangible Assets | | | | | | | | | | | |
| | Land | 3,48,09,175 | - | - | 3,48,09,175 | - | - | - | - | - | 3,48,09,175 | 3,48,09,175 |
| | Building | 34,31,57,063 | 21,05,199 | - | 34,52,62,262 | 16,41,58,455 | 1,14,06,671 | - | - | 17,55,65,126 | 16,96,97,136 | 17,89,98,608 |
| | Plant and Machinery | 139,44,48,041 | 1,97,45,241 | - | 141,41,93,282 | 54,23,74,304 | 8,54,13,772 | - | (17,45,600) | 62,60,42,476 | 78,81,50,806 | 85,20,73,737 |
| | Electrical Equipment | 7,33,66,233 | 14,52,647 | - | 7,48,18,880 | 3,98,96,925 | 57,12,819 | - | (18,05,500) | 4,38,04,244 | 3,10,14,636 | 3,34,69,308 |
| | Vehicles | 1,43,04,779 | 6,12,852 | - | 1,49,17,631 | 66,14,680 | 23,53,830 | - | - | 89,68,510 | 59,49,121 | 76,90,099 |
| | Office Equipments | 2,44,10,776 | 6,57,104 | - | 2,50,67,880 | 2,00,41,136 | 18,32,765 | - | (158) | 2,18,73,743 | 31,94,137 | 43,69,641 |
| | SUB TOTAL (A) | 188,44,96,067 | 2,45,73,043 | - | 190,90,69,110 | 77,30,85,499 | 10,67,19,858 | - | (35,51,258) | 87,62,54,099 | 103,28,15,011 | 111,14,10,568 |
| II | Capital Work-in-progress | | | | | | | | | | | |
| | | - | - | - | - | - | - | - | - | - | - | - |
| | SUB TOTAL (B) | - | - | - | - | - | - | - | - | - | - | - |
| | Intangible Assets | | | | | | | | | | | |
| | ERP Software | 33,37,603 | - | - | 33,37,603 | 18,01,375 | 5,98,824 | - | - | 24,00,199 | 9,37,404 | 15,36,228 |
| | Goodwill on Consolidation | 2,93,36,925 | - | - | 2,93,36,925 | - | 58,67,385 | - | - | 58,67,385 | 2,34,69,540 | 2,93,36,925 |
| | SUB TOTAL (C) | 3,26,74,528 | - | - | 3,26,74,528 | 18,01,375 | 64,66,209 | - | - | 82,67,584 | 2,44,06,945 | 3,08,73,154 |
| IV | Intangible Assets Under Development | | | | | | | | | | | |
| | | - | - | - | - | - | - | - | - | - | - | - |
| | SUB TOTAL (D) | - | - | - | - | - | - | - | - | - | - | - |
| | Total [A + B + C + D] | 191,71,70,595 | 2,45,73,043 | - | 194,17,43,638 | 77,48,86,874 | 11,31,86,067 | - | (35,51,258) | 88,45,21,683 | 105,72,21,954 | 114,22,83,721 |

Consolidated Notes to Financial Statements for the Period Ended 31st March, 2017 (Contd)

| | | (in ₹) | |
|-------------|--|---------------------------------------|---------------------------------------|
| Particulars | | As at 31 st March, 2017 | As at 31 st March, 2016 |
| 2.11 | NON-CURRENT INVESTMENTS | | |
| | Non Trade Investments - Unquoted Equity | | |
| | 8,000 fully paid up equity shares of Rs.10/- each in Kurumpetty HPP Ltd | 80,000 | 80,000 |
| | 8,000 fully paid up equity shares of Rs.10/- each in Palayakkam HPP Ltd | 80,000 | 80,000 |
| | 8,000 fully paid up equity shares of Rs.10/- each in Upper Poringal HPP Ltd | 80,000 | 80,000 |
| | 8,000 fully paid up equity shares of Rs.10/- each in Vattapara HP Ltd | 80,000 | 80,000 |
| | 1,50,000 fully paid up equity shares of Rs.10/- each in Malayalam Communications Ltd. | 15,75,000 | 15,75,000 |
| | Trade Investments - Unquoted Equity | | |
| | 1,27,500 fully paid up equity shares of Rs.2/- each in Indsil Energy & Electrochemicals Private Limited. (Extend of Holding 0.61%) | 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 | 4,62,91,580 | 4,50,93,950 |
| | Unsecured considered good | | |
| | Advance for Capital Expenses & Purchases | - | - |
| | Other loans and advances | | |
| | - Electricity Charges recoverable | 10,80,39,513 | 5,31,11,594 |
| | - Other Loans & Advances | 18,05,949 | 16,76,393 |
| | - Rental Advances | 22,64,080 | 23,14,080 |
| | - Tax Payment Pending Adjustments | 7,96,02,373 | 8,67,21,543 |
| | - MAT Credit Entitlement | - | - |
| | Total | 23,80,03,495 | 18,89,17,560 |
| 2.13 | CURRENT INVESTMENTS | | |
| | Investment in Mutual Funds | | |
| | DSP Blackrock Money Manager Fund | 5,74,687 | 5,48,652 |
| | Total | 5,74,687 | 5,48,652 |
| 2.14 | INVENTORIES | | |
| | Raw Materials and Components | 39,86,41,134 | 29,58,47,136 |
| | Goods in Transit | 2,42,91,905 | 1,87,45,365 |
| | Work-in-Progress | - | 5,11,57,791 |
| | Finished Goods | 19,28,21,593 | 22,39,89,277 |
| | Stores and Spares | 14,26,936 | 30,00,270 |
| | Consumables | 4,26,750 | 2,38,592 |
| | Packing Materials | 3,86,352 | 2,54,902 |
| | Power - Banked Energy | 63,42,947 | 84,36,565 |
| | Total | 62,43,37,617 | 60,16,69,896 |

Consolidated Notes to Financial Statements for the Period Ended 31st March, 2017 (Contd)

| | | (in ₹) | |
|-------------|--|------------------------------|------------------------------|
| | | As at | As at |
| | Particulars | 31 st March, 2017 | 31 st March, 2016 |
| 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 | 11,39,59,884 | 23,68,69,328 |
| | Unsecured, considered good | 15,71,748 | - |
| | Trade receivables outstanding for a period exceeding six months from the date they are due for payment | | - |
| | Secured, considered good | 13,28,30,969 | - |
| | Unsecured, considered good | - | - |
| | Other Receivables | - | 16,24,152 |
| | Total | 24,83,62,601 | 23,84,93,480 |
| 2.16 | CASH AND CASH EQUIVALENTS | | |
| | Balances with banks | | |
| | a) In Current Accounts | 15,40,302 | 2,32,74,083 |
| | b) In Fixed Deposits | 2,00,000 | 42,19,999 |
| | c) Earmarked Balances- Unpaid Dividend | 23,89,628 | 23,04,373 |
| | d) Margin money | 3,84,00,441 | 1,65,19,092 |
| | Bank deposits with more than 12 months maturity | - | - |
| | Cheques on hand | 5,39,184 | 8,92,921 |
| | Cash in hand | 24,92,766 | 18,56,350 |
| | Total | 4,55,62,321 | 4,90,66,818 |
| 2.17 | SHORT TERM LOANS AND ADVANCES | | |
| | Loans and advances to related parties | | |
| | Unsecured, considered good | | |
| | - Advance for Expenses | 1,10,000 | - |
| | Others | | - |
| | Balance With Revenue Authorities | 5,27,05,883 | 9,17,02,005 |
| | Unsecured, considered good | | - |
| | - Advance for Expenses & Purchases | 25,96,952 | 2,90,545 |
| | - Advance for Purchases | 18,83,846 | - |
| | - Staff Advance | 1,17,706 | 1,63,646 |
| | - Other Advance Recoverable | 1,03,70,444 | - |
| | - Other Advances | 10,51,48,486 | 16,06,55,827 |
| | - Advance for Expenses | 9,82,871 | - |
| | - Prepaid Expenses | 29,68,445 | - |
| | Total | 17,68,84,633 | 25,28,12,023 |
| 2.18 | OTHER CURRENT ASSETS | | |
| | Export Incentives receivable | 68,51,714 | 63,11,285 |
| | Total | 68,51,714 | 63,11,285 |

Consolidated Notes to Financial Statements for the Period Ended 31st March, 2017 (Contd)

| | | (in ₹) | |
|-------------|---|---------------------------------------|---------------------------------------|
| Particulars | | As at 31 st March, 2017 | As at 31 st March, 2016 |
| 2.19 | REVENUE FROM OPERATIONS | | |
| | Sale of Products: | | |
| | - Smelter | 222,65,16,861 | 169,66,84,883 |
| | - Power | 5,97,74,852 | 15,43,32,643 |
| | - others | - | - |
| | Excise duty | (2,81,84,971) | (3,40,98,595) |
| | Sale of Raw Materials | 3,30,54,321 | 5,21,36,425 |
| | Interdivisional Sale of Power | (5,97,74,852) | (15,43,32,643) |
| | Other Operating Income: | | |
| | Export Claims | 1,26,70,560 | 62,65,870 |
| | Total | 224,40,56,772 | 172,09,88,583 |
| 2.20 | OTHER INCOME | | |
| | Interest Income | 55,29,029 | 29,91,175 |
| | Dividend Income | 26,035 | 43,082 |
| | Profit on Sale of Assets | - | 1,01,146 |
| | Scrap sales | 19,58,308 | 10,06,051 |
| | Income from REC's | - | 4,57,99,032 |
| | Discount | 36,323 | 66,783 |
| | Other non-operating income | 3,02,95,288 | 2,98,07,249 |
| | Total | 3,78,44,983 | 7,98,14,517 |
| 2.21 | COST OF MATERIALS CONSUMED | | |
| | Consumption of raw materials | 104,97,84,309 | 83,71,30,582 |
| | Total | 104,97,84,309 | 83,71,30,582 |
| 2.22 | PURCHASE OF STOCK IN TRADE | | |
| | Purchases of Stock in Trade | 5,93,73,054 | 4,91,76,916 |
| | Total | 5,93,73,054 | 4,91,76,916 |
| 2.23 | CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK-IN- TRADE | | |
| | Finished Goods: Opening Stock | 21,77,67,960 | 27,48,80,114 |
| | Less: Closing Stock | (19,28,21,593) | (21,77,67,960) |
| | | 2,49,46,367 | 5,71,12,154 |
| | Work-in-Progress : Opening Stock | 5,79,49,995 | 6,06,63,782 |
| | Less: Closing Stock | (2,17,16,668) | (5,79,49,995) |
| | | 3,62,33,327 | 27,13,787 |
| | Changes in Inventory | 6,11,79,695 | 5,98,25,941 |
| 2.24 | EMPLOYEE BENEFITS EXPENSES | | |
| | Salaries and wages | 11,09,34,115 | 7,23,63,560 |
| | Contribution to provident Fund and other funds | 55,63,665 | 32,26,873 |
| | Employee compensation | 11,35,038 | - |
| | Provision for Gratuity & Earned Leave Encashment | 4,05,499 | 5,29,996 |
| | Staff welfare expenses | 1,44,29,765 | 90,23,545 |
| | Total | 13,24,68,081 | 8,51,43,974 |

Consolidated Notes to Financial Statements for the Period Ended 31st March, 2017 (Contd)

| | | (in ₹) | |
|-------------|------------------------------------|---------------------------------------|---------------------------------------|
| | Particulars | As at 31 st March, 2017 | As at 31 st March, 2016 |
| 2.25 | FINANCE COSTS | | |
| | Interest expenses | 10,01,08,834 | 9,02,44,014 |
| | Other borrowing costs | 87,91,511 | 40,88,619 |
| | Total | 10,89,00,345 | 9,43,32,632 |
| 2.26 | DEPRECIATION | | |
| | Depreciation | 10,96,34,809 | 9,02,52,431 |
| | Total | 10,96,34,809 | 9,02,52,431 |
| 2.27 | OTHER EXPENSES | | |
| | Power & Fuel (Net) | 52,13,07,857 | 33,78,29,550 |
| | Packing, Freight & Forwarding | 1,76,83,059 | 3,48,46,769 |
| | Consumables & Stores | 3,15,73,776 | 2,97,27,088 |
| | Direct Contractual Wages | 1,40,69,619 | 1,63,08,925 |
| | Factory Rent | 1,14,80,306 | 2,41,79,208 |
| | Ore crushing charges | 45,84,258 | 93,35,251 |
| | Repairs and Maintenance | 1,45,43,744 | 1,36,23,581 |
| | Royalty | - | 6,37,227 |
| | Communication Expenses | 28,94,111 | 27,27,782 |
| | Commission to Other Directors | 2,52,303 | 4,88,716 |
| | Discount Allowed & Slag deductions | - | 3,38,451 |
| | Freight Outwards | 1,76,08,413 | 2,24,21,347 |
| | Travelling Expenses | 67,71,452 | 62,12,574 |
| | Repairs & Maintenance : | | |
| | Plant & Machinery | 1,41,38,634 | 24,06,312 |
| | Building & Others | 99,11,232 | 60,56,821 |
| | Vehicle Hire Charges/ Maintenance | 1,98,43,188 | |
| | Insurance Expenses | 73,95,190 | 38,53,806 |
| | Legal Expenses | 32,90,327 | 32,90,034 |
| | Professional Charges | 62,51,729 | 75,07,120 |
| | Security service charges | 52,11,196 | 42,71,975 |
| | Printing and stationery Expenses | 11,65,941 | 8,85,798 |
| | Auditors Remuneration | 6,40,494 | 6,37,869 |
| | Rent | 52,21,218 | 43,06,108 |
| | Rates & Taxes | 23,87,198 | 60,83,651 |
| | Advertisement & Publicity | 35,749 | 2,28,867 |
| | Subscription & donation | 12,73,622 | 10,79,852 |
| | Sitting Fees | 18,78,811 | 17,51,336 |
| | Sales Promotion expenses | 2,20,830 | 1,59,82,018 |
| | Sales Commission | 1,03,23,613 | 1,09,60,866 |
| | Transportation charges | 21,83,530 | 10,26,406 |
| | Testing & Sampling fees | 16,73,346 | 25,28,596 |
| | General Expenses | 1,51,257 | 1,38,470 |
| | Donation | 19,79,262 | 22,26,951 |
| | Exchange Fluctuation(Net) | 58,68,146 | (59,66,773) |
| | Miscellaneous Expenses | 24,99,461 | 44,33,696 |
| | Total | 74,63,12,869 | 57,23,66,248 |

Consolidated Notes to Financial Statements for the Period Ended 31st March, 2017 (Contd)

| | | (in ₹) |
|--|---------------------------------------|---------------------------------------|
| Particulars | As at 31 st March, 2017 | As at 31 st March, 2016 |
| 2.28 CURRENT & DEFERRED TAX | | |
| Current tax | 76,72,320 | 1,54,68,857 |
| Deferred tax | (53,90,630) | (33,83,790) |
| MAT Credit Entitlement | (29,83,777) | (61,05,444) |
| Total | (7,02,086) | 59,79,623 |

| | | ₹ in | |
|---|---------------------------------------|---------------------------------------|--------------------------|
| Particulars | As at 31 st March, 2017 | As at 31 st March, 2016 | As at 30th June, 2015 |
| 2.30 EARNINGS PER SHARE | | | |
| Profit After Tax | 1,49,50,680 | 65,94,754 | 6,59,26,364 |
| Equity share of ₹10 each | 1,58,86,792 | 1,58,86,792 | 1,58,86,792 |
| Basic & Diluted Earnings per share | 0.94 | 0.42 | 4.15 |
| No. of shares outstanding - Basic & Diluted | 1,58,86,792 | 1,58,86,792 | 1,58,86,792 |

2.31 THE SUBSIDIARY COMPANIES/JOINTLY CONTROLLED ENTITY CONSIDERED IN THE CONSOLIDATED FINANCIAL STATEMENTS:

| S.No | Name of the Company | Country of Incorporation | Subsidiary/ Joint Venture | % of Ownership |
|------|---|--|------------------------------|----------------|
| 1 | Sree Mahalakshmi Smelters Private Limited | India | Subsidiary | 51% |
| 2 | Al Tamman Indsil Ferro Chrome LLC (JV) | Sultanate of Oman | Joint Venture | 26.62% |
| 3 | 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 31.12.2016 | (in ₹) Year Ended 31.12.2015 |
|-------------------------------------|--------------------------|------------------------------------|
| Balance Sheet: | | |
| Reserves and Surplus | (14,36,50,452) | (17,90,69,866) |
| Non Current Liabilities | 19,24,98,014 | 30,76,11,174 |
| Current Liabilities | 76,58,16,155 | 68,91,96,241 |
| Fixed Assets (Net) | 56,86,82,326 | 61,62,06,652 |
| Current Assets | 42,62,83,181 | 41,97,39,352 |
| Statement of Profit and Loss | | |
| Income | 109,29,13,073 | 98,50,50,716 |
| Expenses | 106,71,67,781 | 98,29,29,860 |
| Profit Before Tax | 2,57,45,292 | 21,20,856 |
| Provision of Taxes | - | - |
| Profit After Tax | 2,57,45,292 | 21,20,856 |

Note: The audited accounts of Al-Tamman Indsil Ferro Chrome LLC., Joint Venture for the year ended 31st December, 2016 is based on the International Financial Reporting Standards (IFRS).

Consolidated Notes to Financial Statements for the Period Ended 31st March, 2017 (Contd)

2.33 Related Party Transaction with whom transactions have taken place during the year 2016-17 and relationship:

| | |
|--|--|
| a) Other Related Entities | Sunmet Holdings India Private Ltd ,Indsil Energy and Electrochemicals Private Ltd. |
| b) Key Management Personnel | Sri. S.N.Varadarajan |
| | Sri. Vinod Narsiman |
| | Sri. S. Mahadevan(Company Secretary) |
| | Sri.R.Murali(Chief Financial Officer) |
| c) Relatives of Key Management Personnel | Smt. D.Pushpa Varadarajan (W/o Sri S.N.Varadarajan) |
| | Sri.Viswaa Narsiman (S/o. Sri. Vinod Narsiman) |

| Particulars | Other Related Entity ₹ | Key Management Personnel ₹ | Relatives of Key Management Personnel ₹ |
|------------------------------------|------------------------|----------------------------|---|
| Current Year - (31.03.2017) | | | |
| Purchase of Raw Materials | 1,92,83,777 | | - |
| Sale of Finished Goods | 32,01,09,544 | | - |
| Sale of Raw Materials | 1,62,93,301 | | - |
| Purchase of Finished Goods | 7,15,45,853 | | - |
| Royalty paid | | | - |
| Rent paid | 20,72,457 | 90,000 | 2,34,000 |
| Directors' Sitting Fees | | 55,000 | 85,500 |
| Managerial Remuneration | | 33,76,019 | |
| Balances outstanding | 7,25,23,262 | (1,71,87,209) | - |
| Previous Year- (31.03.2016) | | | |
| Purchase of Raw Materials | 35,31,876 | | |
| Sale of Finished Goods | 24,54,18,818 | | |
| Sale of Raw Materials | 5,91,27,542 | | |
| Purchase of Finished Goods | 4,91,76,916 | | |
| Royalty paid | - | - | - |
| Rent paid | 13,25,682 | 2,83,500 | 67,500 |
| Directors' Sitting Fees | - | 45,000 | 63,000 |
| Managerial Remuneration | - | 42,22,283 | 1,00,000 |
| Balances outstanding | 5,09,49,311 | (1,78,70,013) | |

2.34 SEGMENT INFORMATION

| Particulars | As at 31 st March, 2017 | (in ₹) As at 31 st March, 2016 |
|--------------------------------------|---------------------------------------|---|
| Primary Segments (Business Segments) | | |
| 1. Segment Revenue | | |
| a. Smelter | 2,244,056,772 | 1,720,988,583 |
| b. Hydro Power | 59,774,852 | 154,332,643 |
| | - | - |
| | 2,303,831,624 | 1,875,321,226 |
| Less : Intersegment Revenue | 59,774,852 | 154,332,643 |
| | - | - |
| Net Revenue | 2,244,056,772 | 1,720,988,583 |

Consolidated Notes to Financial Statements for the Period Ended 31st March, 2017 (Contd)

| Particulars | (in ₹) | |
|---|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2017 | As at 31 st March, 2016 |
| 2. Segment Results | | |
| (Profit / Loss before Financial charges & Tax) | | |
| a. Smelter | 98,002,493 | (68,484,160) |
| b. Hydro Power | 25,120,411 | 175,348,087 |
| | 123,122,904 | 106,863,927 |
| Add / Less : Unallocable Income/Expenses | 26,035 | 43,082 |
| | - | - |
| Operating Profit | 123,148,939 | 106,907,009 |
| Less : Financial Charges | 108,900,345 | 94,332,632 |
| | - | - |
| Total Profit / (Loss) before Tax and extraordinary items and Minority Interest | 14,248,594 | 12,574,377 |
| Add : Minority Interest | - | - |
| Total Profit / (Loss) before Tax | 14,248,594 | 12,574,377 |
| | | |
| 3. Capital Employed | | |
| (Segment Assets - Segment Liabilities) | | |
| a. Smelter | 908,738,677 | 986,067,700 |
| b. Hydro Power | 281,884,406 | 347,880,304 |
| | - | - |
| | 1,190,623,083 | 1,333,948,005 |

2.35 Operating leases

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 | (in ₹) | |
|---|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2017 | As at 31 st March, 2016 |
| not later than one year | 48,34,768 | 21,20,832 |
| later than one year and not later than five years | 1,05,66,300 | 91,41,036 |
| later than five years | - | - |

2.36 As of 31st March, 2017, the following are the details of Derivative contracts.

| | |
|----------------------------------|--------------|
| Value of Forward Contract | ₹ |
| Unexpired Contract | |
| - Export | 1,98,15,120 |
| - Import | 21,70,98,135 |



Consolidated Notes to Financial Statements for the Period Ended 31st March, 2017 (Contd)

2.37 | Previous year figures have been regrouped where 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 31st March, 2017" as given in the stand alone Financial Statements of Indsil Hydro Power and Manganese Limited.

As per our report of even date

For **RAJA & RAMAN**

Chartered Accountants

Firm Registration No : 003382S

Sd/-

E.R.RAJARAM

Partner

Membership No : 18755

Place : Coimbatore

Dated : 29th May, 2017

Sd/-

S.N.VARADARAJAN

Executive Vice-Chairman

DIN :00035693

Sd/-

R.MURALI

Chief Financial Officer

For and on behalf of the Board

Sd/-

VINOD NARSIMAN

Managing Director

DIN :00035746

Sd/-

S.INDERCHAND

Director

DIN :00035907

Sd/-

S.MAHADEVAN

Company Secretary

Significant Accounting Policies to the Consolidated Balance Sheet and Consolidated Statement of Profit and Loss

I. Principles of consolidation :

The consolidated financial statements relate to Indsil Hydro Power and Manganese Limited ("the Company") and its Subsidiary Company, Joint Venture and Wholly-Owned Subsidiary. The Consolidated financial statements have been prepared on the following basis:

- i) 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 133 of the Companies Act, 2013.
- ii) Interests in Joint venture have been accounted by using the proportionate consolidation method as per Accounting Standard (AS) 27 - "Joint Ventures".

- iii) The difference between the cost of investment in the 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.

- iv) As far as possible, the consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

II. Investments other than in Subsidiaries and Joint Venture have been accounted as per Accounting Standard 13 on Accounting for Investments.

III. Other Significant Accounting Policies :

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

For M/S. **RAJA & RAMAN**

Chartered Accountants

Firm Registration No : 003382S

Sd/-

E.R.RAJARAM

Partner

Membership No : 18755

Place : Coimbatore

Dated : 29th May, 2017

Sd/-

S.N.VARADARAJAN

Executive Vice-Chairman

DIN : 00035693

Sd/-

R.MURALI

Chief Financial Officer

For and on behalf of the Board

Sd/-

VINOD NARSIMAN

Managing Director

DIN : 00035746

Sd/-

S.INDERCHAND

Director

DIN : 00035907

Sd/-

S.MAHADEVAN

Company Secretary

Consolidated Cash Flow Statement for the Year Ended 31st March, 2017

| Particulars | (in ₹) | |
|---|---------------------------------------|---------------------------------------|
| | As at 31 st March, 2017 | As at 31 st March, 2016 |
| A. CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net profit / (loss) before tax | 1,42,48,593 | 1,25,74,377 |
| Adjustments for | | |
| Interest Receipts | (55,29,029) | (29,91,175) |
| Income from Mutual Funds | (26,035) | (43,082) |
| Depreciation | 10,96,34,809 | 9,02,52,431 |
| Financial charges & Interest | 10,89,00,345 | 9,43,32,632 |
| Profit/Loss on sale of assets | - | (1,01,146) |
| Provision for Employee Benefits | 4,80,385 | 5,29,996 |
| Other non operating income | (3,02,95,288) | (3,82,44,214) |
| | - | - |
| OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES | 19,74,13,780 | 15,63,09,819 |
| Adjustments for changes in | | |
| Inventories | (2,26,67,721) | 18,09,10,837 |
| Trade receivables | (98,69,122) | (2,14,34,751) |
| Other advances | 7,59,27,390 | 3,64,51,442 |
| Other Current Assets | (5,40,429) | 4,68,72,506 |
| Current liabilities | 11,66,42,098 | (60,39,907) |
| | - | - |
| Cash generated from operations | 35,69,05,997 | 39,30,69,946 |
| Income Tax Payments | 7,02,086 | (1,65,77,139) |
| | - | - |
| NET CASH FLOW FROM OPERATING ACTIVITIES (A) | 35,76,08,084 | 37,64,92,807 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of Fixed Assets | (2,45,73,039) | (5,13,13,172) |
| Sale of Fixed Assets | - | 52,67,234 |
| Purchase of investments | (26,035) | - |
| Sale of Investments | - | - |
| Other non operating income | 3,02,95,288 | 3,82,44,214 |
| Interest received | 55,29,029 | 29,91,175 |
| Income from Mutual Funds | 26,035 | 43,082 |
| | - | - |
| NET CASH FLOW FROM INVESTING ACTIVITIES (B) | 1,12,51,279 | (47,67,467) |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Decrease in Long term Loans and Advances | (4,90,85,935) | 47,69,704 |
| Increase/(Decrease) in Long term Borrowings | (10,78,02,909) | 5,74,63,511 |
| Decrease in other long term liabilities | (48,72,020) | (41,02,868) |
| Increase/(Decrease) in Short term Borrowings | (6,37,70,653) | (23,59,99,250) |
| Decrease in Short-Term Provisions | 76,68,677 | - |
| Decrease in Long-Term Provisions | 5,98,642 | 57,06,911 |
| Financial Charges & Interest | (10,89,00,345) | (9,43,32,632) |
| Payment of Dividend & Tax | (53,90,630) | (1,90,64,150) |
| FCTR Movement | (2,80,99,253) | (9,12,74,612) |
| | - | - |
| NET CASH FLOW FROM FINANCING ACTIVITIES (C) | (35,96,54,425) | (37,68,33,386) |
| | - | - |
| NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C) | 92,04,937 | (51,08,046) |
| Cash and Cash Equivalents as on 1.4.2016 (Opening Balance) | 4,90,66,818 | 5,41,74,864 |
| Cash and Cash Equivalents as on 31.3.2017 (Closing Balance) | 5,82,71,755 | 4,90,66,818 |

Note : Cash and Cash Equivalents include current investments which are highly liquid

As per our report of even date

For and on behalf of the Board

For **RAJA & RAMAN**

Chartered Accountants

Firm Registration No : 003382S

Sd/-

E.R.RAJARAM

Partner

Membership No : 18755

Sd/-

S.N.VARADARAJAN

Executive Vice-Chairman

DIN : 00035693

Sd/-

VINOD NARSIMAN

Managing Director

DIN : 00035746

Sd/-

S.INDERCHAND

Director

DIN : 00035907

Sd/-

S.MAHADEVAN

Company Secretary

Sd/-

R.MURALI

Chief Financial Officer

Place : Coimbatore

Dated : 29th May, 2017

FOR THE KIND ATTENTION OF MEMBERS

The Securities and Exchange Board of India (SEBI) and the Ministry of Corporate Affairs have made it mandatory to offer Electronic Clearing Service (“ECS”) facilities for payment of dividend. This facility offers benefits like timely credit of dividend, elimination of loss of instrument in transit and fraudulent encashment.

In view of this, shareholders holding shares in physical form are requested to complete the ECS form attached herein and forward the same to the Company’s Registrars and Share Transfer Agents S.K.D.C Consultants Limited.

Members are also requested to update their email address in respect of shares held with their Depository Participants and in respect of shares held in physical form with S.K.D.C Consultants Limited to facilitate e-voting and fulfil other statutory requirements.



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 Web : 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 4958995, 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 | |
| E-mail id | |
| 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.

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 27th ANNUAL GENERAL MEETING at "The Indian Chamber of Commerce & Industry, Coimbatore", Chamber Towers, 8/732 Avanashi Road, Coimbatore 641 018 at 10.15 A.M. on Thursday, the 21st December, 2017

| |
|----------------------------------|
| Signature of the Member or Proxy |
| |

| |
|--------------------|
| No. of Shares held |
| |



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)

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 27th Annual General Meeting of the Company, to be held on Thursday, the 21st December, 2017 at 10.15 am at "The Indian Chamber of Commerce & Industry, Coimbatore", Chamber Towers, 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 Audited Financial Statements including the Statement of Profit & Loss, Cash Flow Statement for the financial year ended 31 st March, 2017 together with 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 re-appointment. | |
| 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 re-appointment. | |
| 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 continuation of Office and Remuneration of Sri S N Varadarajan, Executive Vice-Chairman. | |
| 8 | To approve re-appointment of Sri Vinod Narsiman as Managing Director. | |
| 9 | To approve Commission to Non-Executive Directors. | |
| 10 | To approve the appointment of Sri K Annamalai as Independent Director. | |
| 11 | To approve the appointment of Sri V Dharmaraj as Independent Director. | |
| 12 | Special Resolution for approval of Borrowing Powers under Section 180 (1) (a) of Companies Act, 2013 | |
| 13 | Special Resolution for Adoption of new set of Articles of Association of the Company | |
| 14 | Special Resolution for Issue of Securities through Qualified Institutional Placement (QIP) | |
| 15 | Approval of Related Party Transactions | |
| 16 | To approve the Purchase of Shares constituting a stake of 23.38% of Al-Tamman Indsil Ferro Chrome LLC from Indsil Energy and Electrochemicals Private Limited by the Company. | |

Signed this day of 2017.

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.



Registered Office: "Indsil House", T.V. Samy Road (West), R.S.Puram, Coimbatore: 641002,
Phone: +91/0-422-4522922, 23, 24, Fax: +91/0-422-4522925, E-mail: indsilho@indsil.com