

SREE MAHALAKSHMI SMELTERS PRIVATE LIMITED

7th ANNUAL REPORT

01.10.2013 - 30.09.2014

SREE MAHALAKSHMI SMELTERS PRIVATE LIMITED

7th ANNUAL REPORT FOR THE PERIOD ENDED 30TH SEPTEMBER 2014

BOARD OF DIRECTORS	:	1. SRI S CHAKRAPANI, DIRECTOR 2. SRI S THANGARAJ, DIRECTOR 3. SRI K SARAVANAN, DIRECTOR
AUDITORS	:	RAJA AND RAMAN CHARTERED ACCOUNTANTS COIMBATORE
BANKERS	:	1.STATE BANK OF INDIA , GARIVIDI, VIZAYANAGARAM , ANDRA PRADESH 2.YES BANK LIIMITED , COIMBATORE 3.FEDERAL BANK LIMITED, COIMBATORE 4.AXIS BANK LIMITED,COIMBATORE 5.UCO BANK LIMITED, COIMBATORE
REGISTERED OFFICE	:	MERAKAMUDIDAM MADALAM, VIZIANAGARAM DISTRICT GARBHAM -535102 ANDHRA PRADESH

SREE MAHALAKSHMI SMELTERS PRIVATE LIMITED

Registered Office at Merakamudidam Mandalam, Garbham, Vizianagaram Dist – 535 102.

NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the 7th Annual General Meeting of the members of M/s.Sree Mahalakshmi Smelters Private Limited, will be held on 31st March 2015 at 10:00 AM at the Registered Office of the Company at Merakamudidam Mandalam, Garbham, Vizianagaram Dist – 535 102., to transact the business :

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

AGENDA

ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements of the company for the financial year ended 30th September 2014 together with the Board of Director's Report, Secretarial Compliance Certificate, and Auditor's Report thereon.
2. To Appoint **Raja and Raman, Chartered Accountants, Coimbatore** as statutory auditors of the company to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting on such remuneration as may be decided by the sBoard of Directors of the Company.

FOR AND ON BEHALF OF THE
BOARD


S. CHAKRAPANI
DIRECTOR

Place : COIMBATORE
Date : 02.03.2015

Notes:

1. A Member who is entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy should be a member of the Company.
2. Proxies in order to be effective must be received in the prescribed form by the company at the registered office of the Company not less than 48 hours before the time set out for the commencement of the meeting.

SREE MAHALAKSHMI SMELTERS PRIVATE LIMITED

Registered Office at Merakamudidam Mandalam, Garbham, Vizianagaram Dist – 535 102.

REPORT OF THE BOARD OF DIRECTORS TO THE SHAREHOLDERS

Ladies and Gentlemen,

Boards have pleasure in presenting their 7th Annual Report along with audited accounts of your company for the period 01st October 2013 to 30th September 2014.

FINANCIAL RESULTS :

FINANCIAL INDICATORS	Rs in Lakhs	
	30.09.2014	30.09.2013
Profit before Depreciation and Financial Charges	(155.16)	(283.93)
Less: Depreciation	87.78	110.85
Profit / (Loss) Before Financial Charges	(242.93)	(173.08)
Less: Financial Charges	295.82	440.36
Profit / (Loss) After Tax	(232.96)	(192.06)

OPERATIONS:

Your Company's turnover during the year under review was Rs.3,464 Lakhs as against Rs.5,037.74 Lakhs in the previous period of 18 Months(from April 2012 to September 2013). Also your company has incurred a net loss of Rs.536.18 Lakhs due to increase in cost of main inputs. The Company is taking steps to improve the profitability in an appropriate manner.

DIVIDEND:

The question of recommending a dividend does not arise, as the Company has not earned profits during the year under review.

INSURANCE

All the Properties of the Company including, building, plant and Machinery and stocks have been adequately insured.

AUDITORS:

M/s. Raja & Raman, Chartered Accountants, having Registration Firm Registration No 003382S, be and are hereby appointed as the Auditors of the Company, in place of retiring auditor Mr.M.Rama Rao Chartered Accountant, to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting

PUBLIC DEPOSITS:

Your company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 and Rules framed there under from the public or its employee during the period under review.

FINANCE:

Your directors acknowledge with gratitude, the valuable assistance and support extended by Federal Bank Ltd, Yes Bank Limited, State Bank Of India, UCO Bank and Axis Bank

INDUSTRIAL RELATIONS:

The Industrial relations were cordial during the period under review. The Board of Directors wish to place on record the co-operation extended by all sections of the employees.

COMPLIANCE CERTIFICATE :

A copy of the compliance Certificate from a firm of Practicing Company Secretaries in Whole time in practice as to the compliance of the provisions of the Companies Act, 1956 is attached to the Director's Report

DIRECTORS RESPONSIBILITY STATEMENT:

Pursuant to Sec 217 (2AA) of Companies (Amendment) Act 1956, the Directors confirm that

- i) In the preparation of annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) The directors have selected such accounting policies and applied them consistently and the judgments and estimates that are made are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at the end of the financial year and of the loss of the company for that period;
- iii) The directors have taken proper and sufficient care for the maintenance of adequate accounting records, in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv) The directors have prepared the annual accounts on a going concern basis.

PARTICULARS OF EMPLOYEES

The information required as per Section 217(2A) of the Companies Act 1956 read with the Companies (Particulars of Employees) Rules 1975 is furnished in Annexure-I forming part of this Report

CONSERVATION OF ENERGY TECHNOLOGY ABSORPTION FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars required to be included in terms of Section 217(1) (e) of the Companies Act 1956 with regard to Conservation of Energy Technology Absorption Foreign Exchange Earnings and Outgo are given in Annexure-II forming part of this Report

ACKNOWLEDGEMENTS:

Board wish to express their sincere thanks for all the valuable co-operation and assistance extended by the Government Authorities, Banks, Financial Institutions and others. They also wish to place on record their deep sense of appreciation for the hard work and dedicated service put in by the employees at all the levels.

PLACE: COIMBATORE
DATE: 02.03.2015

BY ORDER OF THE BOARD



S CHAKARAPANI
DIRECTOR

ANNEXURE TO DIRECTOR REPORT

INFORMATION PURSUANT TO SECTION 217 OF THE COMPANIES ACT, 1956

Annexure-I

Statement Pursuant to Section 217(2A) of the Companies Act 1956 and the Companies (Particulars of Employees) Rules 1975

The Company has not paid any sum towards Managerial Remuneration for the year under review.

Annexure-II

Information pursuant to the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988

I. DETAILS OF CONVERSATION OF ENERGY

The operations of the company involve high energy consumption. Hence, adequate measures have been taken to conserve energy, including the following:-

1. Use of latest technology such as CFL lights to economize our electric consumptions;
2. Use of furniture and equipment products that are standard and branded, and which comply with environment-friendly specification.

II. RESEARCH AND DEVELOPMENT AND TECHNOLOGY ABSORPTION:

The Company has not taken up any separate research and development during the year.

III. FOREIGN EXCHANGE EARNED AND OUTGO:

The company has made transactions involving foreign parties leading to foreign exchange incomes and expenses.

Particulars	2013-14 Rs In Lakhs	2012-13 Rs. In Lakhs
Foreign exchange earned	2502.26	3383.96
Foreign exchange expended	165.85	296.18

PLACE: COIMBATORE
DATE: 02.03.2015

BY ORDER OF THE BOARD


S CHARARAPANI
DIRECTOR



R RAMCHANDAR B.Com., ACS., LLB
COMPANY SECRETARY

No.21, 3rd Floor, M.L. Lund Complex, Variety Hall Road, Coimbatore 641 001. Ph. : 0422 - 4332393
Mob. : 90037 04124, 94886 53103 E-mail : ramchandraracsllb@gmail.com ramcsllb@gmail.com

**COMPLIANCE CERTIFICATE
FORM
[SEE RULE 3]**

To,
The Members,
SREE MAHALAKSHMI SMELTERS PRIVATE LIMITED,
Andhra Pradesh-535102.

Corporate Identity Number	U27101AP2008PTC060147
Authorized Share Capital	Rs. 4,30,00,000.00

I have examined the registers, records, books and papers of **M/s SREE MAHALAKSHMI SMELTERS PRIVATE LIMITED**, (the Company) as required to be maintained under the Companies Act, 1956 (the Act) and the rules made there under and also the provisions contained in the Memorandum and Articles of Association of the Company for the financial year ended on **30th September 2014** (the financial year). In my opinion and to the best of my information and according to the examinations carried out by me and explanations furnished to me by the Company, its officers and agents, I certify that in respect of the aforesaid financial year:

1. The Company has kept and maintained all registers as stated in **Annexure 'A'** to this certificate, as per the provisions and the rules made there under and all entries therein have been duly recorded.
2. The Company has duly filed the forms and returns as stated in **Annexure 'B'** to this Certificate with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities within the time prescribed under the act and the rules made there under.
3. The Company being Private Limited Company has the minimum prescribed paid up capital and its maximum number of members during the said financial year was **2(Two)** excluding its present and past employees and the Company under review:



- a. Has not invited public to subscribe for its shares or debentures and
 - b. Has not invited or accepted any deposits from persons other than its members, Directors or their relatives.
4. The Board of Directors duly met **7(Seven)** times respectively on the following dates:

30 th December 2013	10 th February 2014	28 th February 2014	05 th March 2014
14 th March 2014	07 th April 2014	01 st September 2014	--

In respect of which meetings proper notices were given and the proceedings were properly recorded and signed in the Minutes book maintained for the purposed. There were no circular resolutions passed during the financial year under review.

5. The Company was not required to close its Register of Members or Debenture holders during the financial year.
6. The Annual General Meeting for the year ended 30th September 2013 was held on **31st March 2014** after giving due notice to the members of the company and other concerned and the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
7. One Extra Ordinary General Meeting was held on 09th April 2014 for seeking the approval of the members to enhance the borrowing power of the Company after giving due notice to the members of the Company, the resolutions passed thereat were duly recorded in Minutes Book maintained for the purpose.
8. The Company being a Private Company, Section 295 of the Act is not applicable.
9. The Company has duly complied with the provisions of Section 297 of the Act in respect of contracts specified in that section.
10. The Company has made necessary entries in the register maintained under Section 301 of the Act.
11. As there were no instances falling within the purview of Section 314 of the act, the Company has not obtained any approvals from the Board of Directors, Members or Central Government.
12. The Company has not issued any duplicate Share Certificates during the financial year.



13. The Company has

- a. Not allotted shares or securities during the financial year under review and not entertained any transfer or transmission of any shares or securities during the year under review.
- b. Not deposited any amount in a separate Bank Account as no dividend was declared during the financial year.
- c. Not required to post warrants to any member of the Company as no dividend was declared during the financial year.
- d. No amounts in unpaid dividend account, application money due for refund, matured deposits, matured debentures and the interest accrued thereon which have remained unclaimed or unpaid for a period of seven years to Investor Education and Protection Fund.
- e. Duly complied with the requirements of Section 217 of the act.

14. The Board of Directors of the Company is duly constituted and there was no appointment of Additional Directors, Alternate Directors and Directors to fill casual vacancies during the financial year.

15. The Company has not appointed any Managing Director/ Whole Time Director/ Manager during the period under review.

16. The Company has not appointed any sole selling agents during the financial year under review.

17. The Company was not required to obtain approvals of the Central Government, Company Law Board, Regional Director, Registrar and or such authorities prescribed under the various provisions of the Act during the financial year.

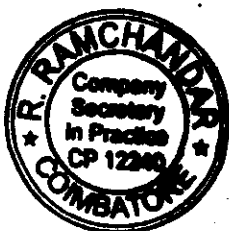
18. The Directors have disclosed their interest in other firms / companies to the Board of Directors pursuant to the provisions of the Act and the rules made there under.

19. The Company has not issued any shares during the financial year under review.

20. The Company has not bought back any shares during the financial year under review.

21. There was no redemption of preference shares or debentures during the financial year.

22. There were no transactions necessitating the Company to keep in abeyance the rights to dividend, rights shares and bonus shares pending registration of transfer of shares.



A handwritten signature in black ink, consisting of several loops and a long tail.

23. The Company has not invited/ accepted any deposits including any unsecured loans falling within the purview of Section 58A and 58AA and rules framed there under during the period under review.
24. The Company, being a Private Company, the borrowings made during the financial year do not attract provisions of Section 293(1)(d) of the Act.
25. The Company being a Private Company, the provisions of Section 372A of the act are not applicable.
26. The Company has not altered the provisions of the Memorandum with respect to situation of the Company's registered office from one state to another during the year under review.
27. The Company has not altered the provisions of the Memorandum with respect to the objects of the Company during the year under review.
28. The Company has not altered the provisions of the Memorandum with respect to the name of the Company during the year under review.
29. The Company has not altered the provisions of the Memorandum with respect to the share capital of the Company during the year under review.
30. The Company has not altered its Articles of Association during the financial year under review.
31. There were no prosecution initiated against or show cause notices received by the Company and no fines or penalties or any other punishment was imposed on the Company during the financial year, for offences under the Act.
32. The Company has not received any money as security from its employees during the financial year u/s 417 (1) of the Act.
33. The Company has not constituted a separate provident fund trust for its employee or class of its employees as contemplated u/s 418 of the Act.

Place: Coimbatore

Date : 02.03.2015

Signature:

Name of the Company Secretary:

C.P. No.: 12240

R. RAMCHANDAR B.Com., ACS, LLB
COMPANY SECRETARY IN PRACTICE
CP 12240



Annexure A

Registers as Maintained by the Company

1. Register of Members u/s 150
2. Register of Directors, Manager u/s 303
3. Register of Directors Shareholding u/s 307
4. Register of Charges u/s 143
5. Register of Contracts u/s 301
6. Minutes Books as required u/s 193
 - a. Minutes Book – Board Meeting
 - b. Minutes Book – General Meeting

Annexure B

Forms and returns as filed by the Company with the Registrar of Companies, Regional Director, Central Government of other authorities during the financial year ended on **30th September 2014**. Other than those forms and returns filed by the Company but held by ROC, RD, and MCA either pending for User Clarification or pending resubmission and returns filed by Statutory Auditors under section 224(1A) of the Act.

Sl. No	Form No. / Returns	Filed under Section (s)	In respect of	Date of Filing	Whether filed within prescribed period Yes / No	If delay in filing whether requisite additional fee paid Yes / No
1.	Form CHG-1	82	Modification of Charge dated 21.03.2014	29.05.2014 SRN (C04603569)	Yes	Not Applicable
2.	Form MGT-14	180(1) (C)	Registration of resolution at the EGM held on 09.04.2014	30.04.2014 SRN (C02179653)	Yes	Not Applicable
3.	Form MGT-14	184	Disclosures of Interest Received from the Directors in Form MBP1	30.07.2014 SRN (C13503693)	No	Yes



PARTNERS :
K.R. RAMAN, FCA
E.R. RAJARAM, FCA, DISA
K.R. RANGARAJAN, ACA

1055/11, GOWTHAM CENTRE
FIRST FLOOR
AVANASHI ROAD
COIMBATORE - 641 018
Mail : raja_raman@satyam.net.in

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SREE MAHALAKSHMI SMELTERS PRIVATE LIMITED **REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of **Sree Mahalakshmi Smelters Pvt Ltd**, which comprise the Balance Sheet as at September 30, 2014, and the Statement of Profit and Loss and Cash flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Principles generally accepted in India including Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act") read with the general circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

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

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

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



OPINION

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

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at September 30, 2014;
- (b) In the case of the Profit and Loss Account, of the Net Loss for the year ended on that date.
- (c) in the case of the cash flow statement, of the cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

2. As required by section 227(3) of the Act, we report that:

- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. The Balance Sheet and Statement of Profit and Loss and Cash flow statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the Balance Sheet and Statement of Profit and Loss and Cash flow statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;
- e. On the basis of written representations received from the directors as on September 30, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on September 30, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.



- f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

FOR RAJA & RAMAN
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO.: 003382S

Place: Coimbatore
Date: 02/03/2015



E.R. RAJARAM
PARTNER
MEMBERSHIP NO. 18755



ANNEXURE TO INDEPENDENT AUDITORS' REPORT

Referred to Paragraph 1 under the heading of "Report on other legal and regulatory requirements" of our report even date

1. In respect of its Fixed Assets:

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

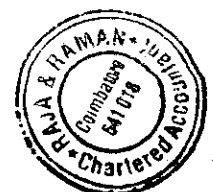
2. In respect of its Inventories:

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

3. a) The Company has not granted any loans, secured or unsecured, to Companies, firms or other parties listed in the Register maintained u/s. 301 of the Companies Act, 1956.
- b) During the year, the Company has not taken any loan from Companies, firm or other parties covered in the Register maintained u/s. 301 of the Companies Act, 1956. However loans received earlier outstanding at the year-end was Rs.9.48 Crores
- c) In our opinion and according to the information and explanation given to us, the rate of interest and other terms and conditions of loans are not prima facie prejudicial to the interest of the company.
- d) There are no other stipulations in respect of such loan.

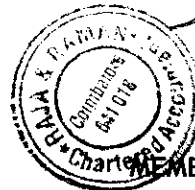


4. In our opinion and according to the information and explanation given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business, for purchase of inventory, fixed assets and for sale of goods and services. Further, on the basis of our examination of the books and records of the Company and according to the information and explanation given to us, we have neither come across nor have we been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. In respect of the contracts or arrangements referred to in Section 301 of the Companies Act, 1956:
 - a) In our opinion and according to the information and explanations given to us, the transaction that need to be entered into the register in pursuance of Section 301 of the Companies Act, 1956, have been so entered.
 - b) In our opinion and according to the information and explanations given to us the transactions exceeding the value of Rupees Five Lakhs have been entered into during the financial year, are at prices which are reasonable having regard to the prevailing market prices at the relevant time except in case of some transactions where we are unable to comment owing to the unique and specialized nature of the items involved and absence of any comparable prices, whether the transactions are made at prevailing market prices.
6. The Company has not accepted any deposits from the public within the meaning of Section 58A and Section 58AA of the Act and rules framed there under.
7. In our opinion, the Company's present internal audit system is commensurate with its size and the nature of its business.
8. The maintenance of cost records have not been prescribed by the Central Government to this Company under clause (d) of sub-section (1) of section 209 of the Companies Act, 1956.
9. In our opinion and according to the information and explanations given to us during the course of the audit,
 - (a) The Company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Value Added Tax, Service tax, Custom Duty, Excise Duty, Cess and any other statutory dues with the appropriate authorities.
 - (b) There were no undisputed amounts payable which were in arrears as at 30th September 2014 for a period of more than six months from the date they became payable.
 - (c) According to the information and explanations given to us, there are no statutory dues which have not been deposited with appropriate authorities on account of any dispute.



10. The Company has accumulated losses amounting to Rs. 7,79,53,141 as at 30th September 2014 and it has incurred cash loss during the financial year amounting to Rs. 4,50,97,911 during the financial year ended on that date.
11. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to any financial institution, bank or debenture holders as at the Balance sheet date.
12. As per information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund/ nidhi / mutual benefit fund/ societies are not applicable to the Company.
14. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
15. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
16. In our opinion and according to the information and explanations given to us during the course of the audit, the Term loans have applied for the purpose for which the loans were raised.
17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, in our opinion, there are no funds raised on a short term basis which have been used for long term investment.
18. The Company has not made any preferential allotment of shares to parties and Companies covered in the Register maintained u/s. 301 of the Act during the year.
19. The Company has not issued any debentures during the year.
20. The Company has not raised any money by public issue during the year.
21. In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported by the Management during the year, that ultimately causes the financial statements to be materially misstated.

FOR RAJA & RAMAN
CHARTERED ACCOUNTANTS
FIRM REGISTRATION NO.: 0033825



E.R. Rajaram
E. R. RAJARAM
PARTNER

MEMBERSHIP NO. 18755

Place: Coimbatore
Date: 02/03/2015



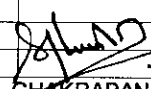
M/S. SREE MAHALAKSHMI SMELTERS PRIVATE LIMITED

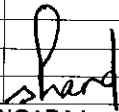
Registered Office at Merakamudidam Mandal, Garbham, Vizianagaram Dist., A.P - 535102

BALANCE SHEET AS AT 30TH SEPTEMBER 2014

PARTICULARS	Note No.	On 30/09/2014		On 30/09/2013	
		Rs.	Rs.	Rs.	Rs.
I. EQUITY AND LIABILITIES					
1. Shareholder's funds					
(a) Share Capital	II	42,918,570		42,918,570	
(b) Reserves and Surplus	III	(77,953,141)		(54,656,719)	
(c) Money received against share warrants					
			(35,034,571)		(11,738,149)
2. Share application money pending allotment		-		-	
3. Non-current liabilities					
(a) Long-term borrowings	IV	186,273,736		213,484,927	
(b) Deferred Tax liabilities (Net)					
(c) Other Long term liabilities	V	11		11	
(d) Long-term Provisions				-	
			186,273,747		213,484,938
4. Current Liabilities					
(a) Short term borrowings	VI	92,648,840		67,807,751	
(b) Trade payables	VII	147,847,144		47,645,291	
(c) Other current liabilities	VIII			1,048,858	
(d) Short term provisions	IX	39,891,681		34,056,215	
			280,387,665		150,558,115
TOTAL			431,626,842		352,304,904
II ASSETS					
1. Non-current assets					
(a) Fixed assets	X				
(i) Tangible assets		156,758,751		165,296,922	
(ii) Capital work-in-progress		-		907,899	
(ii) Intangible Assets		726,319		-	
(b) Non-current investments					
(c) Deferred tax assets (net)		48,273,223		17,693,684	
(d) Long-term loans and advances	XI	22,586,686		22,586,686	
(e) Other non-current assets	XII	-		-	
			228,344,979		206,485,191
2. Current assets					
(a) Current investments					
(b) Inventories	XIII	103,714,709		73,323,628	
(c) Trade receivables	XIV	22,265,754		24,767,256	
(d) Cash and Cash equivalents	XV	1,572,139		2,339,324	
(e) Short-term loans and advances	XVI	75,729,260		45,389,505	
(f) Other current assets					
			203,281,862		145,819,713
TOTAL			431,626,842		352,304,904

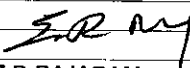
For and on behalf of the Board

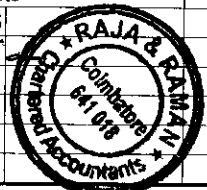

S. CHAKRAPANI
Director


S. THANGARAJ
Director

As per our report of even date

For RAJA AND RAMAN
Chartered Accountants
Firm Reg.No.00382S


E.R. RAJARAM

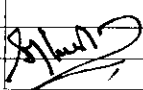
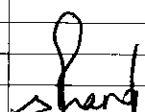
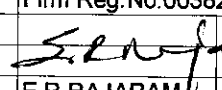
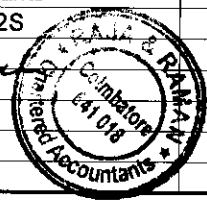


Place : Coimbatore
Date : 02 /03 /2015


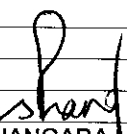
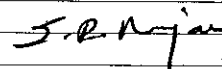
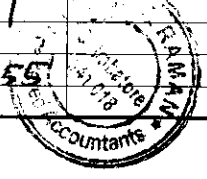
M/S. SREE MAHALAKSHMI SMELTERS PRIVATE LIMITED

Registered Office at Merakamudidam Mandal, Garbham, Vizianagaram Dist., A.P - 535102

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 30TH SEPTEMBER 2014

	PARTICULARS	Note No.	01.10.2013 - 30.09.2014		01.04.2012 - 30.09.2013	
			Rs.	Rs.	Rs.	Rs.
1	Revenue from operations	XVII	34,64,63,568		50,37,74,482	
2	Other Income	XVIII	42,71,495		,20,90,614	
3	Total Revenue (I + II)			35,07,35,063		50,58,65,096
4	Expenses					
	Cost of Materials Consumed	XIX	149,587,612		26,73,34,708	
	Purchases of Stock in Trade					
	Changes in inventories of finished goods, work in progress and Stock-in- trade	X X	4,046,736		1,36,28,065	
	Other Manufacturing Expenses	X XI	192,165,164		17,00,80,457	
	Employee benefits expense	X XII	9,549,899		1,27,42,380	
	Finance Costs	X XIII	29,582,291		4,40,35,509	
	Depreciation and amortization expense	X XIV	8,778,050		1,10,85,059	
	Other expense	X XV	10,901,272		1,36,86,307	
	Total Expenses			40,46,11,024		53,25,92,485
5	Profit before exceptional and extraordinary items and tax (III-IV)			(53,875,961)		(26,727,389)
6	Extraordinary items					-
7	Profit before tax (V-VI)			(53,875,961)		(26,727,389)
8	Tax expense:					
	(1) Current tax					
	(2) Mat Credit Entitlement					
	(3) Deferred tax			(30,579,539)		(7,521,482)
				(30,579,539)		(75,21,482)
9	Profit for the year (VII + VIII)			(23,296,423)		(192,05,907)
	Earnings per equity share:					
	(1) Basic			(5.43)		(4.47)
	(2) Diluted			(5.43)		(4.47)
For and on behalf of the Board				As per our report of even date		
				For RAJA AND RAMAN		
S. CHAKRAPANI		S. THANGARAJ		Chartered Accountants		
Director		Director		Firm Reg.No.00382S		
						
				E.R. RAJARAM		
Place : Coimbatore						
Date: 02 /03 /2015						

SREE MAHALAKSHMI SMELTERS PRIVATE LIMITED
CASH FLOW STATEMENT FOR THE PERIOD ENDED 30TH SEPTEMBER 2014

Particulars	Year ended	Year ended
	30.09.2014	30.09.2013
	Rs.	Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES:		
Net profit / (loss) before tax	(5,38,75,961)	(2,67,27,396)
Adjustments for		
Interest Receipts	(20,84,389)	(18,47,705)
Depreciation	87,78,050	1,10,85,059
Financial charges & Interest	2,95,82,291	4,40,35,510
Pre operative Expenses written off	-	
OPERATING PROFIT BEFORE WORKING CAPITAL CHANGES	(1,76,00,009)	2,65,45,468
Adjustments for changes in		
Inventories	(3,03,91,081)	39,09,801
Trade receivables	25,01,502	(97,00,030)
Other advances	(3,03,39,755)	(3,35,53,157)
Current liabilities	10,49,88,461	77,96,555
Cash generated from operations	2,91,59,118	(50,01,363)
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	2,91,59,118	(50,01,363)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	(58,300)	(1,46,22,006)
Sale of Fixed Assets	-	
Interest received	20,84,389	18,47,705
NET CASH FLOW FROM INVESTING ACTIVITIES (B)	20,26,089	(1,27,74,301)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Issue of share capital	-	
Repayment of Long term borrowings	-	
Increase in Long Term Deposits	-	(68,14,800)
Increase in Long term Borrowings	(2,72,11,191)	6,45,83,109
Increase in other Long term liabilities	-	11
Increase in Short term Borrowings	2,48,41,089	7,61,083
Financial Charges & Interest	(2,95,82,291)	(4,40,35,510)
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	(3,19,52,393)	1,44,93,893
NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	(7,67,186)	(32,81,771)
Cash and Cash Equivalents as on 1.10.2013 (Opening Balance)	23,39,324	56,21,094
Cash and Cash Equivalents as on 30.09.2014 (Closing Balance)	15,72,138	23,39,324
For and on behalf of the Board		As per our report of even date
		For RAJA AND RAMAN
S. CHAKRAPANI	S. THANGARAJ	Chartered Accountants
Director	Director	Firm Reg.No.00382S
		
		E.R. RAJARAM
Place : Coimbatore		M. NO. 18755
Date: 02 /03 /2015		

NOTES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 30TH SEPTEMBER 2014

NOTE X - TANGIBLE FIXED ASSETS

Disclosure pursuant to Note no. I (f), (ii), (iii); Note no. J (i),(ii); Note no. J and Note no. L of Part I of Schedule VI to the Companies Act, 1956

Particulars	← Gross Block →				← depreciation →				← Net Block →	
	Balance as at 1.10.2013	Additions	Disposals /Deletions	Cost as on 30.09.2014	Balance as at 30.09.2013	For the period	withdrawn on deletions	Balance as at 30.09.2014	Balance as at 30.09.2014	Balance as at 30.09.2013
Tangible Assets										
Land	7,260,999	-	-	7,260,999	-	-	-	7,260,999	7,260,999	7,260,999
Buildings (Factory)	40,692,128	-	-	40,692,128	3,794,822	1,359,117	-	5,153,939	35,538,189	36,897,306
Buildings (Others)	1,618,441	-	-	1,618,441	80,772	26,381	-	107,153	1,511,288	1,537,669
Electrical Equipments	35,796,443	41,500	-	35,837,943	3,910,103	1,891,235	-	5,801,338	30,036,605	31,886,340
P&M	93,236,448	-	-	93,236,448	11,281,735	4,922,884	-	16,204,619	77,031,829	81,954,713
Borewell	136,000	-	-	136,000	13,571	4,542	-	18,113	117,887	122,429
Vehicles - Plant	5,008,875	-	-	5,008,875	729,234	264,469	-	993,703	4,015,172	4,279,641
Computer	312,537	4,500	-	317,037	114,150	51,038	-	165,188	151,849	198,387
Furniture	439,879	12,300	-	452,179	79,631	28,155	-	107,786	344,393	360,248
Office Equipments	13,650	-	-	13,650	615	864	-	1,479	12,171	13,035
Weigh Bridge	905,030	-	-	905,030	118,875	47,786	-	166,661	738,369	786,155
	185,420,430	58,300	-	185,478,730	20,123,508	8,596,471	-	28,719,979	156,758,751	165,296,922
In-Tangible Assets										
ERP Software										
Capitals WIP	-	907,899	-	907,899	-	181,580	-	181,580	726,319	-
	907,899	-	-	-	-	-	-	-	-	907,899
Total	186,328,329	966,199	907,899	186,386,629	20,123,508	8,778,050	-	28,901,558	157,485,071	166,204,821
Figures for Previous period	133,351,506	38,354,817	-	171,706,323	2,950,800	6,087,649	-	9,038,449	162,667,874	130,400,706



M/S. SREE MAHALAKSHMI SMELTERS PRIVATE LIMITED			
NOTES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 30TH SEPTEMBER 2014			
NOTE II : Share Capital			
Sr. No	Particulars	30.09.2014 (In Rs.)	30.09.2013 (In Rs.)
1	AUTHORIZED CAPITAL 43,00,000 Equity shares of Rs. 10 Each	43,000,000	43,000,000
2	ISSUED , SUBSCRIBED & PAID UP CAPITAL to the Subscribers of the Memorandum 42,91,857 Equity shares of Rs. 10 Each	42,918,570 42,918,570	42,918,570 42,918,570
	> 21,88,847 Equity Shares are held by M/s. Indsil Hydro Power & Manganese Ltd. > 21,03,010 Equity Shares are held by M/s. Indsil Energy & Electrochemicals Ltd.		
NOTE III : Reserves & Surplus			
Sr. No	Particulars	30.09.2014 (In Rs.)	30.09.2013 (In Rs.)
1	Opening balance	(55,824,146)	(36,618,233)
	Reserves	(23,296,423)	(19,205,914)
	(+) Net Profit/(Net Loss) For the current year	-	-
	(+) Transfer from Reserves - Security Premium	-	-
	(-) Proposed Dividends	-	-
	(-) Interim Dividends	-	-
	(-) Transfer to Reserves	-	-
	Closing Balance	(79,120,569)	(55,824,147)
2	Security Premium Account	1,167,428	1,167,428
	Opening balance	-	-
	(+) During the year	1,167,428	1,167,428
	Closing Balance	(77,953,141)	(54,656,719)
	Closing Balance		
NOTE IV : Long Term Borrowings			
Sr. No	Particulars	30.09.2014 (In Rs.)	30.09.2013 (In Rs.)
1	Term Loan (Secured) - From Banks for Capital Assets	91,403,160	118,614,351
	Un Secured Loan	94,870,576	94,870,576
2	Loans & Advances From Related Parties		
	Total	186,273,736	213,484,927
NOTE V : Other Long Term Liabilities			
Sr. No	Other Long Term Liabilities	30.09.2014 (In Rs.)	30.09.2013 (In Rs.)
1	(a) Trade Payables	11	11
	(b) Others		
	Total	11	11



NOTE VI : Short Term Borrowings			
Sr. No	Particulars	30.09.2014 (In Rs.)	30.09.2013 (In Rs.)
1	Loan Repayable on Demand		
	- From Bank (Secured)	9,26,48,840	6,78,07,751
	Total	9,26,48,840	6,78,07,751
NOTE VII : Trades Payable			
Sr. No	Particulars	30.09.2014 (In Rs.)	30.09.2013 (In Rs.)
1	Sundry Creditors for Materiel/Supplies:	14,26,75,969	4,65,60,424
2	Sundry Creditors for Stores & Expenses	51,71,175	10,84,867
	Total	14,78,47,144	4,76,45,291
NOTE VIII : Other Current Liabilities			
Sr. No	Particulars	30.09.2014 (In Rs.)	30.09.2013 (In Rs.)
1	Advance From Customers		10,48,858
2	Share application money refundable		-
	Total	-	10,48,858
NOTE IX : Short Term Provisions			
Sr. No	Particulars	30.09.2014 (In Rs.)	30.09.2013 (In Rs.)
	Provision for Employee Benefits	-	-
	Salary Payable	7,03,813	6,60,480
	Provident Fund Payable	65,306	51,848
	Other short Term provisions		
	Audit Fee Payable	2,37,000	1,62,000
	Electricity & Power Charges Payable	1,50,87,745	2,64,28,966
	Tds Payable	13,99,603	1,54,793
	Contingent liability on fuel surcharge	1,04,30,985	-
	Others-Interest Payable	1,19,16,263	65,98,128
	Professional tax payable	1,800	-
	Staff welfare fund	15,666	-
	Expenses payable	33,500	-
	Total	3,98,91,681	3,40,56,215



M/S. SREE MAHALAKSHMI SMELTERS PRIVATE LIMITED			
NOTES ANNEXED TO AND FORMING PART OF BALANCE SHEET AS AT 30TH SEPTEMBER 2014			
NOTE XI : Long Term Loans and Advances			
Sr. No	Particulars	30.09.2014 (In Rs.)	30.09.2013 (In Rs.)
	Security Deposits		
	Secured, considered good	2,25,86,686	2,25,86,686
	Total	2,25,86,686	2,25,86,686
NOTE XII : Other non-current assets			
Sr. No	Particulars	30.09.2014 (In Rs.)	30.09.2013 (In Rs.)
1	Miscellaneous Expenditure		
	Opening Balance		9,570
	(-) Written off during the period		9,570
	Closing Balance	-	-
Sr. No	Particulars	30.09.2014 (In Rs.)	30.09.2013 (In Rs.)
1	Directors *	NIL	NIL
2	Other officers of the Company *	NIL	NIL
3	Firm in which director is a partner *	NIL	NIL
4	Private Company in which director is a member	NIL	NIL
		-	
NOTE XIII : Inventories			
Sr. No	Particulars	30.09.2014 (In Rs.)	30.09.2013 (In Rs.)
a	Raw Materials and components (Valued at cost)	8,31,10,909	4,70,46,424
	Goods-in transit		
b	Work-in-progress (Valued at cost)		8,09,263
	Goods-in transit	-	-
c	Finished goods (Valued at lower of cost or net realisable value)	1,78,71,783	2,19,18,519
	Goods-in transit	-	-
d	Stores, spares, Pack Materials & Consumables (Valued at Cost)	27,32,017	35,49,422
	Goods-in transit	-	-
	Total	10,37,14,709	7,33,23,628



NOTE XIV : Trade Receivables			
Sr. No	Particulars	30.09.2014 (In Rs.)	30.09.2013 (In Rs.)
1	Trade receivables outstanding for a period less than six months from the date they are due for payment		
	Secured, considered good	-	-
	Unsecured, considered good	1,59,90,285	2,44,99,281
	Unsecured, considered doubtful	-	-
	Less: Provision for doubtful debts	-	-
		1,59,90,285	2,44,99,281
2	Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
	Secured, considered good	66,57,755	6,50,261
	Unsecured, considered good	-	-
	Unsecured, considered doubtful	-	-
	Less: Provision for doubtful debts	- 3,82,286	- 3,82,286
		62,75,469	2,67,975
	Total	2,22,65,754	2,47,67,256
	Trade Receivable stated above include debts due by:		
Sr. No	Particulars	30.09.2014 (In Rs.)	30.09.2013 (In Rs.)
1	Directors *	NIL	NIL
2	Other officers of the Company *	NIL	NIL
3	Firm in which director is a partner *	NIL	NIL
4	Private Company in which director is a member	NIL	NIL
		-	-
NOTE XI : Cash and cash equivalents			
Sr. No	Particulars	30.09.2014 (In Rs.)	30.09.2013 (In Rs.)
1	Balances with banks	4,57,081	80,032
	Earmarked Balances (eg/- unpaid dividend accounts)		-
	Margin money		-
	Security against borrowings		-
	Guarantees		-
	Other Commitments		-
	Bank deposits with more than 12 months maturity		3,19,485
2	Cheques, drafts on hand		-
3	Cash on hand	11,15,057	19,39,807
	Total	15,72,138	23,39,324

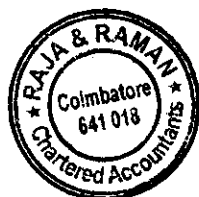


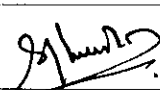
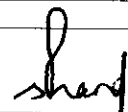
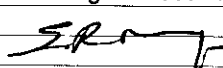
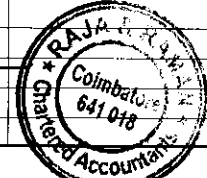
NOTE XVI : Short-term loans and advances			
Sr. No	Particulars	30.09.2014 (In Rs.)	30.09.2013 (In Rs.)
1	Loans and advances to related parties		
	Secured, considered good		-
	Unsecured, considered good		-
	Doubtful		-
2	Others		
	Secured, considered good (Statutory balances)	1,03,04,793	79,25,381
	Secured, considered good (Others)	1,03,77,564	
	Unsecured, considered good		
	- Advance for Capital Expenses - Mahalakshmi & Co.	-	-
	- Advance for Purchase	1,14,604	1,13,30,798
	- Advance for Expenses	4,380	2,84,440
	- Prepaid Expenses	-	-
	- Other Advances-Fuel Surcharge	5,49,27,919	2,58,48,886
	Doubtful		
	Total	7,57,29,260	4,53,89,505
Sr. No	Particulars	30.09.2014 (In Rs.)	30.09.2013 (In Rs.)
1	Directors	NIL	NIL
2	Other officers of the Company	NIL	NIL
3	Firm in which director is a partner	NIL	NIL
4	Private Company in which director is a member	NIL	NIL
	Total	-	-



M/S. SREE MAHALAKSHMI SMELTERS PRIVATE LIMITED
NOTES ANNEXED TO AND FORMING PART OF THE STATEMENT OF PROFIT OR LOSS AS AT 30TH
SEPTEMBER 2014

XVII Revenue from operations				
Sr. No	PARTICULARS	30.09.2014 (In Rs.)	30.09.2013 (In Rs.)	
1	Sale of Products	35,03,84,439	51,22,41,010	
		35,03,84,439	51,22,41,010	
2	Less : Excise duty	1,10,46,527	2,03,37,068	
		33,93,37,912	49,19,03,942	
	Other Operating Income			
	Export Incentives	,71,25,656	1,18,70,540	
		34,64,63,568	50,37,74,482	
	Detail of Revenue from operations			
	Silico Manganese	33,93,37,912	49,19,03,942	
	Export Incentives	,71,25,656	1,18,70,540	
		34,64,63,568	50,37,74,482	
XVIII Other Income				
Sr. No	Particulars	30.09.2014 (In Rs.)	30.09.2013 (In Rs.)	
1	Interest Income	20,84,389	,18,47,705	
2	Miscellaneous Receipts	21,87,106	2,42,909	
	Total	,42,71,495	,20,90,614	
XIX Cost of Materials Consumed				
Sr. No	Particulars	30.09.2014 (In Rs.)	30.09.2013 (In Rs.)	
a)	Consumption of Raw Materials & Stores	14,95,87,612	26,73,34,708	
XX Changes in inventories of finished goods, work in progress and Stock-in- trade				
Sr. No	Particulars	30.09.2014 (In Rs.)	30.09.2013 (In Rs.)	(Increase)/ Decrease
1	Finished Goods: Opening Stock	2,19,18,519	3,55,46,584	(136,28,065)
	Less: Closing Stock	(1,78,71,783)	(2,19,18,519)	,40,46,736
		,40,46,736	1,36,28,065	(,95,81,329)
	Total	,40,46,736	1,36,28,065	(,95,81,329)
X XI Other Manufacturing Expenses				
Sr. No	Particulars	30.09.2014 (In Rs.)	30.09.2013 (In Rs.)	
1	Power & Fuel (Net)	18,00,06,461	15,41,14,922	
2	Packing, Freight & Forwarding	,61,89,009	,82,61,993	
3	Direct Contractual wages	59,69,694	77,03,542	
	Total	19,21,65,164	17,00,80,457	



X XII Employee benefits expense			
Sr. No	Particulars	30.09.2014 (In Rs.)	30.09.2013 (In Rs.)
1	Salaries and wages	,85,82,834	1,17,23,653
2	Contribution to provident Fund & other Funds	3,57,493	4,73,767
3	Staff welfare expenses	6,09,572	5,44,960
	Total	,95,49,899	1,27,42,380
X XIII Finance Costs			
Sr. No	Particulars	30.09.2014 (In Rs.)	30.09.2013 (In Rs.)
1	Interest expense	2,75,41,719	422,71,684
2	Other Borrowing Costs	,20,40,572	17,63,825
	Total	295,82,291	440,35,509
X XIV Depreciation and amortization expense			
Sr. No	Particulars	30.09.2014 (In Rs.)	30.09.2013 (In Rs.)
1	Depreciation and amortization expense	,87,78,050	1,10,85,059
	Total	,87,78,050	1,10,85,059
X XV Other expense			
Sr. No	Particulars	30.09.2014 (In Rs.)	30.09.2013 (In Rs.)
1	Postage & Telephone expenses	3,26,229	4,92,596
2	Directors Remuneration	"	"
3	Travelling & Conveyance	20,13,625	30,37,317
4	Advertisement	,35,528	"
5	Repairs & Maintanance :	15,39,299	21,59,551
6	Insurance Expenses	3,62,805	7,98,519
7	Consultancy Charges	12,29,424	7,80,362
8	Security service charges	11,48,585	16,12,523
9	Stationery Expenses	,88,738	1,50,848
10	Auditors Remuneration	1,60,944	3,06,686
11	Filing fees	,27,565	,24,000
12	Rates & Taxes	8,47,857	18,82,436
13	Subscription	4,71,307	2,98,136
14	Donation	"	,30,866
15	Selling Expenses	22,71,260	11,79,564
16	Miscellaneous Expenses	3,78,106	9,32,903
	Total	1,09,01,272	1,36,86,307
For and on behalf of the Board		As per our report of even date	
			
S.CHAKRAPANI	S. THANGARAJ	For RAJA AND RAMA	For RAJA AND RAMA
Director	Director	Chartered Accountants	
		Firm Reg.No.00382S	
			
Place : Coimbatore		E.R. RAJARAM	
Date : 02 /03 /2015			

SREE MAHALAKSHMI SMELTERS PRIVATE LIMITED

Notes to the financial statements

Note No:1 Accounting standards, Additional disclosures and notes on accounts

A. Basis of Preparation of Financial Statements

The financial statements of the company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards referred to in subsection 3C of section 211 of the Companies Act, 1956 (Which continue to be applicable in respect of Section 133 of the Companies Act 2013 in terms of general circular 15/2013 dated 13.09.2013 of the Ministry of Corporate Affairs and the relevant provisions of the Companies Act 1956).

The financial statements are prepared on accrual and going concern basis under the historical convention. Accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

B. Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/materialise

C. Inventories

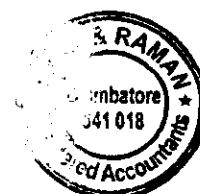
Inventories are valued at cost of net realizable value whichever is lower. Cost of raw materials held by the company are stated on weighted average basis. In case of goods in transit, cost represents the cost incurred up to the stage at which the goods are in transit.

D. Cash flow statement

Cash flows are reported using "Indirect Method" as prescribed under Accounting Standard AS-3.

E. Revenue Recognition

- a) Accrual basis of accounting is followed by the company for all regular sources of income and expenses.
- b) Sales of goods are recognized when the risk and rewards of ownership are passed on to customers, which is generally on dispatch of goods.
- c) Dividend, interest, export incentives and other income are accounted on accrual basis except those items with significant uncertainties'.



F. Fixed Assets and Depreciation

- a) Fixed Assets are stated at original cost net of tax/duty credit availed if any, less accumulated depreciation. Cost include pre-operative expenses and all expenses related to acquisition and installation of the concerned assets
- b) Depreciation on Fixed Assets is provided on straight line method in accordance with the rate specified under the Schedule XIV of the Companies Act 1956. Individual Assets costing Rs.5000 or less are depreciated fully in the year of Purchase.

G. Foreign Currency Transaction

- a) Foreign Currency transactions are recorded at exchange rates prevailing on the date of such transaction.
- b) Foreign currency Assets and liabilities at the end of the year are realigned at the exchange rate prevailing at the year and difference is recognized in the statement of Profit and Loss.

H. Investments

The company does not have any Non-current investment

I. Retirement Benefits

- a) The contribution to provident Fund is made as per provisions of the Employee's provident Funds and Miscellaneous Provisions Act,1952 ad remitted to the provident Fund Commissioner and is charges to the Profit and Loss Account.

J. Borrowing Costs

Interest on Borrowings, if any, attributable to acquisition of qualifying Assets are capitalized and included in the cost of the asset, as appropriate. All other borrowing costs are charged to revenues. A qualifying asset is an asset that necessarily requires substantial period of time to get ready for its intended use or sale.

K. Taxes on Income

- a) Current Tax is determined as per the provisions of the Income Tax Act,1961 in respect of taxable income for the year and based on the applicable rates for the relevant assessment year
- b) Deferred Tax liabilities and Assets are recognized on timing differences between accounting income and taxable income for the year and quantified using the tax rates and laws enacted or substantially enacted as on the date of the balance sheet.



L. Impairment of Fixed Assets

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

- The provision for impairment loss, if any, required or:
- The reversal, if any, required of impairment loss recognized in previous periods. Impairment loss is recognized when the carrying amount of an asset exceeds its recoverable amount.

M. Segmental Reporting

The entire operation of the Company relates to only one segment viz, manufactures Silica-manganese/ Ferro-silicon therefore segment/product-wise details are not applicable.

N. Provisions

A provision is recognized when there is a present obligation as a result obligating event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or present obligation that may but probably will not require an outflow of resources. Where there is possible obligation in respect of which the likelihood of outflow of resources is remote no provision or disclosure is made.

O. Fuel Surcharge Paid under protest

The Company has paid Rs.5.49 Crore fuel Surcharge under protest to APEPDCL and same is expected to be returned in the case of positive decision from the court. The advance is grouped under other advances in the asset side of the Balance Sheet.

P. Unsecured loan from Related Parties :

During the Financial Year, the Company has not taken loan from any person, body corporate, firms or other parties (including relatives) as per the applicable provisions of the Companies Act,2013, if any. However, the unsecured loans outstanding for the previous year as per Note no. IV Long Term Borrowings of the Financial Statements as mentioned below:

Particulars	Amount (in Cr.)
Indsil Energy and Electrochemicals Private Limited	1.81
Indsil Hydro Power and Manganese Limited	7.61

ADDITIONAL INFORMATION TO BALANCE SHEET:

a. Related party disclosures

- Holding Company : M/s.Indsil Hydro Power and Manganese Limited
- Associate Company : M/s.Indsil Energy and Electro chemicals Limited

c) Transactions during the year with related parties:-

Rs. In lakhs

Particulars	Holding Company	Associate Company	Total	Previous Year
Purchases	464.89	267.15	732.04	820.30
Sales	1289.87	387.46	1677.33	377.23
Trade Payables	686.30	372.66	1058.96	199.36
Interest Paid	67.27	-	67.27	96.78



b. Earnings per Share

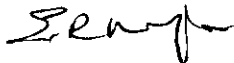
Particulars	30.09.2014	30.09.2013
Profit/(Loss) after tax (Rs lakhs)	(2,32,96,423)	(1,92,05,907)
Weighted average Number of equity shares outstanding	42,91,857	42,91,857
Basic & Diluted EPS (Rs)	(5.43)	(4.47)

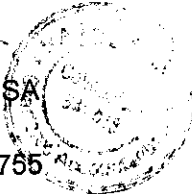
c. Dues to Micro, Small & Medium Enterprises

The management has taken steps to identify the Micro, Small and Medium Enterprise vendor based on information currently available with the company. There are no dues to MSME – Vendors and hence disclosure relating to such vendors under Micro, Small and Medium Enterprise Development Act,2006 are not furnished.

- d. Balances of sundry debtors, Loans & advances are subject to confirmation. Adjustment if any will be considered in the accounts in the period of such confirmation.
- e. Previous period figures have been re-grouped, reclassified and accordingly disclosed as per requirement of revised Schedule VI.

For Raja and Raman
Chartered Accountants
Firm Reg.No.003382S


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



S.Chakrapani
Director

S.Thangaraj
Director

PLACE: COIMBATORE
DATE: 02.03.2015