



INDSIL HYDRO POWER AND MANGANESE LIMITED

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CIN : L27101TZ1990PLC002849

3rd December, 2014

The Bombay Stock Exchange Ltd

Department of Corporate Services – Listing
Rotunda Building
B.S.Marg, Fort
Mumbai – 400 001

Dear Sir

Scrip code : 522165
CIN : L27101TZ1990PLC002849

Sub : Notice & Agenda of the Annual General Meeting

Please find attached extract of the Notice and Agenda from the 24th Annual Report of the Company.

Kindly take on record.

Thanking You
Yours truly

For INDSIL HYDRO POWER AND MANGANESE LIMITED

S. MAHADEVAN
COMPANY SECRETARY & COMPLIANCE OFFICER

Encl : as above



NOTICE OF THE 24th ANNUAL GENERAL MEETING

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

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

AGENDA

ORDINARY BUSINESS

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

SPECIAL BUSINESS

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

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

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

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

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



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

III. OTHERS

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

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

APPOINTMENT OF INDEPENDENT DIRECTORS

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

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

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

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

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

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

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

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

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



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

10. APPROVAL FOR BORROWING POWERS

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

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

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

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

11. COMMISSION TO NON-EXECUTIVE DIRECTORS

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

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



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

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

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

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

13. APPROVAL FOR RELATED PARTY TRANSACTIONS

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

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

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

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

Certified True Copy

Place : Coimbatore
Date : 13.11.2014

For **INDSIL HYDRO POWER AND MANGANESE LIMITED**

S. Mahadevan
Company Secretary

By Order of the Board

Sd/-
S.MAHADEVAN
Company Secretary.



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STATEMENT OF MATERIAL FACTS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM No. 6

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

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

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

ITEM No. 7

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

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

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

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

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

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

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

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

ITEM No. 8

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

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

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

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

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

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

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



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

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

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

ITEM No. 9

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

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

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

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

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

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

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

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

ITEM No. 10

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

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

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

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

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

ITEM No. 11

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

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

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



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ITEM No. 12

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

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

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

ITEM No. 13

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

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

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

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

The details of such Material Related Party Transactions are :

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

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

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

Place : Coimbatore
Date : 13.11.2014

Certified True Copy

By Order of the Board

For **INDSIL HYDRO POWER AND MANGANESE LIMITED**


S. Mahadevan
Company Secretary

Sd/-
S. MAHADEVAN
Company Secretary.