



# INDSIL HYDRO POWER AND MANGANESE LIMITED

Regd. Office :  
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T.V. Samy Road (West)  
R.S. Puram  
Coimbatore - 641 002.  
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e-mail : [indsilho@indsil.com](mailto:indsilho@indsil.com)  
website : [www.indsil.com](http://www.indsil.com)  
CIN : L27101TZ1990PLC002849

16<sup>th</sup> June 2017

The Manager  
BSE Limited  
25<sup>th</sup> Floor, Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai – 400 001

Dear Sir,

**Sub : Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding amalgamation of Indsil Energy and Electrochemicals Private Limited with Indsil Hydro Power and Manganese Limited (the company)**

**Ref : Scrip Code – 522165**

We wish to inform that, the Board of Directors of the Company at their meeting held on Friday, 16<sup>th</sup> June 2017, on the recommendation of the Audit Committee has, inter alia, approved the Scheme of Amalgamation of Indsil Energy and Electrochemicals Private Limited (Transferor Company) with Indsil Hydro Power and Manganese Limited (Transferee Company) (the Company) with effect from 1<sup>st</sup> April 2017 ("Appointed Date") pursuant to Sections 230 to 232 of the Companies Act, 2013 subject to the necessary approval of the National Company Law Tribunal, Chennai Bench and such other authorities as may be required.

The disclosure as required under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated 9<sup>th</sup> September 2015 is given as Annexure – 1 to this letter.

The meeting of the Board of Directors of the Company commenced today at 2.45 pm and concluded at 4.30 pm.

We request you to kindly take note of the same.

Thanking you  
Yours faithfully

For **INDSIL HYDRO POWER AND MANGANESE LIMITED**

  
**S MAHADEVAN**  
COMPANY SECRETARY

DISCLOSURE UNDER REGULATION 30 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 READ WITH SEBI CIRCULAR NO.CIR/CFD/CMD/4/2015 DATED 9<sup>TH</sup> SEPTEMBER 2015

- a) Name of the entities forming part of the amalgamation/merger, details in brief such as, size, turnover etc.

The Scheme of Amalgamation approved by the Board of Directors of Company at their meeting held on 16<sup>th</sup> June 2017 proposes the amalgamation of Indsil Energy and Electrochemicals Private Limited (Transferor Company) with Indsil Hydro Power and Manganese Limited (Transferee Company), the Company pursuant to Sections 230 to 232 of the Companies Act, 2013.

A brief of the entities involved in the amalgamation is as follows.

**TRANSFEROR COMPANY**

**INDSIL ENERGY AND ELECTROCHEMICALS PRIVATE LIMITED** (CIN: U04010TZ1996PTC007421) was incorporated on the 21<sup>st</sup> day of August, 1996 under the Companies Act, 1956, in the State of Tamil Nadu under the name and style 'Indsil Energy Limited' and obtained the certificate of commencement of business on 27<sup>th</sup> September 1996. Subsequently, the name of the Company was changed to 'Indsil Energy and Electrochemicals Limited' on 4<sup>th</sup> October 2002. Later, the Company was converted into a private limited company with effect from 16<sup>th</sup> December 2014.

The details as to size and turnover of Indsil Energy and Electrochemicals Private Limited are as follows

Size	Turnover
<b><u>Issued, Subscribed and Paid-up Share Capital</u></b>	Rs.1,42,04,11,092/- for the financial year ended 31.03.2017
<b><u>Issued Capital</u></b>	
(1) 2,43,88,499 equity shares of Rs.2/- each amounting to Rs.4,87,76,998/-	
(2) 1,50,00,000 preference shares of Rs.10/- each amounting to Rs.15,00,00,000/-	
<b><u>Subscribed &amp; Paid up Capital</u></b>	
(1) 2,43,78,389 equity shares of Rs.2/- each amounting to Rs.4,87,56,778/-	
(2) 1,50,00,000 preference shares of Rs.10/- each amounting to Rs.15,00,00,000/-	

### TRANSFeree COMPANY

**INDSIL HYDRO POWER AND MANGANESE LIMITED** (CIN: L27101TZ1990PLC002849), was incorporated on 30<sup>th</sup> day of August, 1990 under the Companies Act, 1956, in the State of Tamil Nadu under the name and style 'Indsil Electrosmelts Limited' and obtained the certificate of commencement of business on 7<sup>th</sup> November, 1990. Subsequently, the name of the Company was changed as 'Indsil Hydro Power and Manganese Limited' on 18<sup>th</sup> December 2008.

The details as to size and turnover of Indsil Hydro Power and Manganese Limited are as follows

Size	Turnover
<u>Issued, Subscribed and Paid-up Share Capital</u>	Rs.1,21,33,77,743/- for the financial year ended
1,58,86,792 equity shares of Rs.10/- each amounting to Rs.15,88,67,920/-	31.03.2017

- b) **Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms length"**

The transaction would fall within the ambit of related party transaction since Indsil Energy and Electrochemicals Private Limited is a related party to the company. The transaction is proposed to be carried out at arms' length basis and is based on the independent fair valuation of the shares of each of the companies and will be subject to the prior approval of the shareholders, creditors of both the Companies and the National Company Law Tribunal, Chennai Bench.

- c) **Area of business of the entity(ies);**

**Indsil Energy and Electrochemicals Private Limited** (the Transferor Company) is engaged in the business of manufacture of manganese alloys and generation of electricity through thermal power plant.

**Indsil Hydro Power and Manganese Limited** (the Transferee Company) is engaged in the business of manufacture of manganese alloys and hydro power generation.

- d) **Rationale for amalgamation/ merger**

The Scheme of Amalgamation is being proposed on account of the following reasons

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

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

**e) In case of cash consideration – amount or otherwise share exchange ratio**

**Equity Shares:**

M/s.Doogar & Associates, Chartered Accountants, New Delhi have recommended the following share exchange ratio for the purpose of the said amalgamation

- 49 (Forty Nine) full paid equity shares of Rs.10/- each in M/s.Indsil Hydro Power and Manganese Limited, the Transferee Company for every 100 (One hundred) fully paid equity shares of Rs.2/- each in M/s.Indsil Energy and Electrochemicals Private Limited, the Transferor Company.

M/s.Mefcom Capital Markets Limited, Merchant Bankers have also expressed their fairness opinion on the proposed Scheme of Amalgamation.

**Preference shares**

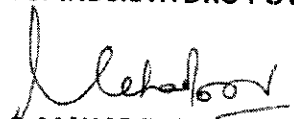
1 (One) 10% Cumulative Redeemable Preference Share of Rs.10/- each fully paid in M/s.Indsil Hydro Power and Manganese Limited (the Transferee Company) shall be issued for every 1 (One) Convertible Optionally Redeemable Preference share of Rs.10/- each held in M/s.Indsil Energy and Electrochemicals Private Limited (the Transferor Company).

f) Brief details of change in shareholding pattern (if any) of listed entity

The brief details of the change in shareholding pattern of Indsil Hydro Power and Manganese Limited (the listed entity) as on 31<sup>st</sup> March 2017 would be as follows:

S. No.	Category	Pre-amalgamation		Post amalgamation	
		No. of Shares held	% of shareholding	No. of Shares held	% of shareholding
1.	Promoter & Promoter Group	8635618	54.36	19160945	69.00
2.	Public	7247832	45.62	8605427	30.99
3.	Non-promoter Non-public Employee Benefit Trust	3342	0.02	3342	0.01
	<b>Total</b>	<b>15886792</b>	<b>100.00</b>	<b>27769714</b>	<b>100.00</b>

For **INDSIL HYDRO POWER AND MANGANESE LIMITED**

  
**S MAHADEVAN**  
COMPANY SECRETARY



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CIN : L27101T21990PLC002849

16<sup>th</sup> June, 2017

**The Bombay Stock Exchange Ltd**  
Dept. of Corporate Services - Listing  
Rotunda Building  
B.S. Marg, Fort  
**MUMBAI 400 001**

Dear Sir,

Sub : **Outcome of the Board Meeting held on Friday, the 16<sup>th</sup> June, 2017**  
Ref : **Scrip Code 522165 Company Code: 4493**

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Meeting of the Board of Directors of the Company commenced today at 2.45 p.m. and concluded at 4.30 pm.

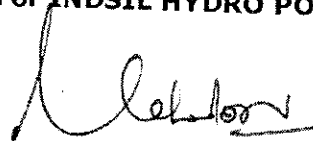
In the said meeting, the following item was also approved as per Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Recommendation of appointment of M/s. Raja & Raman, Chartered Accountants, Coimbatore 641018 (Firm Registration No. 003382S) as Statutory Auditors of the Company for a period of 5 (five) Financial Years commencing from the Financial Year 2017-18 to 2021-22, on such terms and conditions as may be approved by the Shareholders in the ensuing 27<sup>th</sup> Annual General Meeting of the Company, as per copy enclosed.

Kindly take the same on record.

Thanking you,  
Yours truly,

**For INDSIL HYDRO POWER AND MANGANESE LIMITED**

  
**S. MAHADEVAN**  
**COMPANY SECRETARY**

Encl : as above

## Brief profile

Firm Name: M/s. Raja & Raman,  
Chartered Accountants,  
1055/11, Gowtham Centre,  
Avinashi Road,  
Coimbatore - 641018  
Phone: 0422 - 2246591 & 2245591  
e-mail: rajaandraman@gmail.com

Firm Registration No. 003382S

Partners:

1. Sri. K.R.Raman, F.C.A (M. No. 019715)
2. Sri. E.R.Rajaram, F.C.A ( M. No. 018755)
3. Sri. K.R. Rangarajan, F.C.A (M. No. 224928)

The firm was established in the year 1978.

The firm is a professionally managed firm consisting of distinguished Chartered Accountants in whole time practice with a combination of specialized skills and qualification in areas of Statutory Audit of Public and Private Limited Companies, Internal, Concurrent and Stock audit of Companies, Information system Audit of Banks, Special cell on VAT dealing which are geared to offer sound financial advice and attest services. The firm presently carries out attest function of Manufacturing, Engineering, Textiles, Power, Infrastructure, Hospitals, Exports, BPO's, IT and Trading Companies.

The firm has obtained latest Peer Review Certificate dated 25.05.2016.

Thanking you,  
Yours truly,

**For INDSIL HYDRO POWER AND MANGANESE LIMITED**

  
**S. MAHADEVAN**  
**COMPANY SECRETARY**