

8<sup>th</sup>

2014 - 15

ANNUAL  
REPORT



Power from Company's 32MW  
Captive Thermal Power Plant

Manganese Ore from the  
Holding Company's Mines

Ferroalloys

STAR METALLICS AND POWER PRIVATE LIMITED  
*(A subsidiary of The Sandur Manganese & Iron Ores Limited)*

# STAR METALLICS AND POWER PRIVATE LIMITED

(A subsidiary of The Sandur Manganese & Iron Ores Ltd)

## 8<sup>th</sup> ANNUAL REPORT 2014-15

### DIRECTORS

S. Y. Ghorpade, Non executive Chairman  
P. Sridaran, Director (Operations)  
Nazim Sheikh, Director  
S. H. Mohan, Director  
N. S. Lakshmanan, Director  
A. G. Suresh, Director  
B. Ananda Kumar, Nominee Director  
V. Balasubramanian, Independent Director  
S. S. Rao, Independent Director  
Dr. H. R. Halambi, Independent Director

### COMPANY SECRETARY

V. Murali

### CHIEF FINANCIAL OFFICER

Sachin Sanu

### AUDITORS

M/s. Deloitte Haskins & Sells, Bangalore

### BANKERS

State Bank of Mysore

### AUDIT COMMITTEE

S. S. Rao, Chairman  
N. S. Lakshmanan, Member  
P. Sridaran, Member  
V. Balasubramanian, Member  
Dr. H. R. Halambi, Member

### NOMINATION & REMUNERATION COMMITTEE

V. Balasubramanian, Chairman  
N. S. Lakshmanan, Member  
S. S. Rao, Member  
Dr. H. R. Halambi, Member  
B. Ananda Kumar, Member

### CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

B. Ananda Kumar, Member  
V. Balasubramanian, Member  
S. S. Rao, Member  
Dr. H. R. Halambi, Member

### Registered Office:

Metal and Ferroalloys Plant, Vyasankere, Mariyammanahalli - 583 222  
Hospet Taluk, Bellary District, Karnataka State  
Phone: 08394-244450

### Corporate Office:

No. 1A & 2C, Redifice Signature, No. 6, Hospital Road, Shivaji Nagar, Bangalore - 560 001,  
Karnataka, India, Tel : 080-41520176-180, Fax: 080-41520182

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# STAR METALLICS AND POWER PRIVATE LIMITED

(A subsidiary of The Sandur Manganese & Iron Ores Ltd)

CIN:U40102KA2007PTC043446

**Registered Office:** Metal & Ferroalloys Plant, Vyasankere,  
Mariyammanahalli - 583 222, Hospet Taluk, Bellary Dist., Karnataka  
Telephone: +91 8394 244450, 244335

## NOTICE

**Notice** is hereby given that the Eighth Annual General Meeting of the Members of the Company will be held on Saturday, the 19<sup>th</sup> day of September 2015 at 3.00 P. M. at the Registered office of the Company at Metal & Ferroalloys Plant, Vyasankere, Mariyammanahalli - 583 222, to transact, the following business:

### ORDINARY BUSINESS

1. To consider, approve and adopt the Audited Financial Statements of the Company for the financial year ended 31 March 2015 together with the report of Auditors and Directors' thereon.
2. To appoint a Director in place of Mr. Nazim Sheikh (DIN - 00064275), who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Mr. S H Mohan (DIN - 00063558), who retires by rotation and being eligible, offers himself for reappointment.
4. To consider and if thought fit to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

**"RESOLVED THAT** pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time, the Company hereby ratifies the appointment of Deloitte Haskins & Sells, Chartered Accountants, (ICAI Registration No. 008072S), as Statutory Auditors of the Company to hold office from the conclusion of this meeting until the conclusion of next Annual General Meeting at such a remuneration as may be mutually agreed to between the Board of Directors and the Auditors."

### SPECIAL BUSINESS

5. To consider and if thought fit to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

**"RESOLVED THAT** pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, as may be amended from time to time, a remuneration of ₹75,000/- (Rupees Seventy Five Thousand only) and applicable taxes thereon apart from reimbursement of out of pocket expenses towards travelling, conveyance etc., payable to M/s. Kamalakara & Co., Cost Accountants (Firm Registration No. 000296), Bangalore for conducting Cost Audit of the cost accounting records for the financial year 2015-16, as recommended by the Audit Committee and approved by the Board of Directors, be and is hereby ratified."

**“RESOLVED FURTHER THAT** that pursuant to the provisions of Section 148(3) and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, as may be amended from time to time, a remuneration of ₹60,000/- (Rupees Sixty Thousand only) and applicable taxes thereon apart from reimbursement of out of pocket expenses towards travelling, conveyance etc., payable to M/s. Kamalakara & Co., Cost Accountants (Firm Registration No. 000296), for conducting cost audit of the cost accounting records for the financial year 2014-15, as approved by the Board of Directors, be and is hereby ratified.”

By order of the Board  
**for Star Metallica and Power Private Limited**

Place : Bangalore  
Date : 7 August 2015

**V. Murali**  
Company Secretary

#### **NOTES**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL AND SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING FIFTY AND HOLDING IN THE AGGREGATE NOT MORE THAN TEN PER CENT OF THE TOTAL SHARE CAPITAL OF THE COMPANY. IN ORDER TO BE EFFECTIVE THE PROXIES SHOULD BE RECEIVED BY THE COMPANY AT ITS REGISTERED OFFICE NOT LESS THAN 48 HOURS BEFORE THE MEETING.
2. Corporate member intending to send its authorised representative to attend the meeting is requested to send to the company an authority letter authorizing their representative to attend and vote on its behalf at the meeting together with a certified copy of the board resolution passed by it.
3. The statement pursuant to Section 102(1) of the Companies Act, 2013 in respect to special business set out in the Notice is annexed.

## EXPLANATORY STATEMENT

***In terms of Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out all material facts relating to the special business mentioned in the accompanying Notice.***

### **Item No. 5**

In terms of the Companies (Cost Records and Audit) Rules, 2014, the Company is required to get its cost accounting records, audited by a cost auditor who shall be, either a cost accountant or a firm of cost accountants, holding a valid certificate of practice under the provisions of Cost and Works Accountants Act, 1959.

M/s. K.S. Kamalakara & Co, firm of Cost Accountants, Bangalore 560 040 conveyed their consent for their appointment for auditing the cost records for the financial year 2015-16.

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration as recommended by the Audit Committee and approved by the Board of Directors is required to be subsequently ratified by the shareholders.

The Board of Directors, based on Audit Committee's recommendation, appointed M/s. Kamalakara & Co. as Cost Auditors for the financial year 2015-16, to conduct audit of cost records maintained by the Company at a remuneration of ₹75,000/- plus service tax and actual out-of-pocket expenses.

Further, the shareholders may also consider ratifying a remuneration of ₹60,000/- (Rupees Sixty Thousand only) to the cost auditors for the financial year 2014-15.

M/s. Kamalakara & Co, have relevant experience in the field of cost audit and have conducted the audit of the cost records of the Company for the previous two years.

The Ordinary Resolution at Item No. 5 for ratification of their remuneration is proposed and accordingly recommended for approval.

None of the Directors, Key Managerial Personnel or their relatives is/are, in any way, concerned or interested in this item.

By order of the Board  
**for Star Metallica and Power Private Limited**

Place : Bangalore  
Date : 7 August 2015

**V. Murali**  
Company Secretary

**STAR METALLICS AND POWER PRIVATE LIMITED**  
**(A subsidiary of The Sandur Manganese & Iron Ores Limited)**

**DIRECTORS' REPORT**

Your Directors are pleased to present their 8<sup>th</sup> Annual Report and Audited Statement of Accounts for the year ended 31 March 2015.

**FINANCIAL RESULTS**

(in ₹)

Particulars	Current Year ended 31.03.2015	Previous Year ended 31.03.2014
<b>Income</b>		
Revenue	1,47,92,81,792	1,25,04,06,449
Other Income	1,39,98,800	1,76,37,827
<b>TOTAL</b>	<b>1,49,32,80,592</b>	<b>1,26,80,44,276</b>
<b>Expenditure</b>		
(Increase) / Decrease in finished goods	--	--
Operating and Other Expenses	1,31,05,23,230	1,20,22,84,996
Finance Cost	1,02,275	15,011
Depreciation	5,09,23,509	8,98,54,669
<b>TOTAL</b>	<b>1,36,15,49,014</b>	<b>1,29,21,54,676</b>
<b>Profit/(Loss) before Tax</b>	<b>13,17,31,578</b>	<b>(2,41,10,400)</b>
Tax expenses	--	--
<b>Profit/(Loss) after Tax</b>	<b>13,17,31,578</b>	<b>(2,41,10,400)</b>
Paid-up equity shares (₹10 per equity share)	9,26,15,000	9,26,15,000
Weighted average number of equity shares outstanding	9,26,15,000	9,26,15,000
<b>Earnings Per Share (₹)</b>		
- Basic & Diluted	<b>1.42</b>	<b>(0.26)</b>

**Note:** Previous year's figures have been regrouped, wherever necessary, in line with the figures of the current financial year.

Your Company earned a profit after tax of ₹ **1317.31** lakh for the year after charging ₹**509.23** lakh towards depreciation on fixed assets as against a loss of ₹ **241.10** lakh incurred during the previous year.

**OPERATIONS**

During the year, your Company generated **229.97** mu (Previous Year 169.72 mu) of power including **26.51** mu (Previous Year 19.99 mu) towards auxiliary consumption. Power sold during the year stands at **91.40** mu (Previous Year 75.56 mu) and the captive consumption at the Ferroalloys Plant was **98.27** mu. (Previous Year 63.62 mu).

Your Company has also produced **23,050** tonnes (Previous Year 18,240 tonnes) of Silico manganese during the year for its holding company on job work basis and earned a conversion fee of ₹ **7669.66** lakh (Previous Year - ₹ 5,414.14 lakh).

## **FUTURE PROSPECTS**

The performance of your company is directly linked to the performance of steel industry which is undergoing difficult times due to very many factors including cheap imports from China. However, with the Government thrust on improving infrastructure spending and smart city initiatives, the demand for steel is bound to increase in the long term

Hence, your directors are optimistic about the prospects of the company in the long term.

## **SUBSIDIARY**

The Company has no subsidiaries.

## **DIVIDEND**

Considering the capital expenditure plans and the need to preserve resources, your directors do not recommend any dividend for the year.

## **TRANSFER TO RESERVES**

The Company has not transferred any amount of profit earned during the year to any reserves

## **SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY**

No significant and material orders were passed by any Regulator(s) or Court(s) or Tribunal(s), which would impact the going concern status of the Company.

## **MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THESE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

No material changes and commitment affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate and the date of this report.

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

During the year no loans, guarantees or investments were made by the Company attracting the provisions of Section 186 of the Companies Act, 2013

## **PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTIES**

The Company has entered into an agreement with 'The Sandur Manganese & Iron Ores Limited' (SMIORE), the holding company for conversion of manganese ore into Silicomanganese.

Pursuant to the provisions of clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014, particulars of the contract entered into by the Company with SMIORE, being a related party is given in the prescribed format (AOC- 2) vide **ANNEXURE 'A'**.

## **EXTRACT OF ANNUAL RETURN**

As part of this Annual Report and as stipulated under Section 92(3) of the Companies Act 2013, read with Rule 12(1) of the Companies ( Management and Administration) Rules 2014, an extract of the annual return in form MGT 9 is attached vide **ANNEXURE 'B'**.



## **BOARD MEETINGS**

The Board of Directors met five times during this financial year on 27 May 2014, 8 August 2014, 7 November 2014, 13 February 2015 and 28 March 2015. The intervening gap between any two consecutive meetings of the Board did not exceed one hundred and twenty days as specified under the Companies Act, 2013.

## **DIRECTORS & KEY MANAGERIAL PERSONNEL**

In terms of Section 149 of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment and Qualifications of Directors) Rules, 2014, Mr. V. Balasubramanian, Mr. S. S. Rao and Dr. H. R. Halambi have been appointed as Independent Directors on the Board for a term of five consecutive years w. e. f. 10 March 2015 at the Extraordinary General Meeting held on 10 March 2015.

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Nazim Sheikh and Mr. S. H. Mohan, Directors, retire at the ensuing Annual General Meeting and, being eligible, offer themselves for reappointment. Resolutions for their reappointment are being proposed in the accompanying notice of the meeting.

Mr. Md. Abdul Saleem, Company Secretary of the holding company, 'The Sandur Manganese & Iron Ores Limited' has been appointed as the Company Secretary of the Company w. e. f. 28 March 2015. Mr. Md. Abdul Saleem, being a Key Managerial Personnel is allowed to hold office in the subsidiary company in terms of Section 203(3) of the Act.

Mr. Sachin Dattatreya Sanu has been appointed as the Chief Financial Officer of the Company w. e. f. 26 May 2015.

## **DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS**

The Company has received necessary declaration from each Independent Director of the Company under Section 149(7) of the Companies Act, 2013 confirming that he or she meets the criteria of their Independence as laid down in Section 149(6).

## **DIRECTORS' RESPONSIBILITY STATEMENT**

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 2014-15 and of the profit of the company for the financial year 2014-15;
- (c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The directors had prepared the annual accounts on a going concern basis; and
- (e) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively

## **DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB-SECTION (12) OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT**

Auditors have not reported any fraud during the year under review.

## **BOARD EVALUATION**

The Companies Act, 2013 vide Section 134(3)(p) read with Rule 8 of Companies (Accounts) Rules 2014, requires the Board to carry out formal annual evaluation of its own performance, of Committees and of individual directors.

Further, as per Rule No. 8 of the Companies (Accounts) Rules 2014, all the listed companies and public companies with paid-up share capital of Rs. 25 crore or more ,as at the end of the preceeding financial year, are required to indicate the manner & criteria of formal Board evaluation in Board's Report.

Also, Schedule IV of the Companies Act, 2013 requires performance evaluation of Independent Directors to be done by the entire Board of Directors, excluding the director being evaluated (based on the criteria laid down by the Nomination and Remuneration Committee). Further, on the basis of the report of performance evaluation, it is required to be determined whether to extend or continue the term of appointment of the Independent Director.

Your company, being a subsidiary of a public company are required to comply with the said provisions.

Accordingly and as mandated by the aforementioned provisions, a mechanism for formal annual evaluation has been devised by the Company. The mechanism provides for annual evaluation at the end of each year. The performance of the Board, Committees and individual directors are evaluated based on reviews/ feedback of the directors. A Report, prepared based on completed feedback form, is then placed before the Board for its review.

## **TRAINING OF INDEPENDENT DIRECTORS**

On induction, the new Independent Directors on Board are familiarized with the nature of our Industry and our business operations. They are updated on a frequent basis with regard to operations of the Company. Any material development is intimated promptly. The Management encourages participation by the independent directors' and accordingly, any clarification sought by the Independent Directors with regard to the Company's operations is duly addressed.

Presently, no formal training programme exists. Until now, learning for the Independent Directors has been a pervasive ongoing phenomenon via participation.

Further, at the time of appointment the Company appraises Independent Director of his/her functions, duties, roles and responsibilities as a director.

## **COMPOSITION OF AUDIT COMMITTEE**

The Company has duly constituted an Audit Committee consisting of Mr. V. Balasubramanian, Mr. S. S. Rao and Dr. H. R. Halambi, Independent Directors and Mr. N. S. Lakshmanan, Non-Executive Director and Mr. P. Sridaran, Director (Operations).

## **AUDITORS**

At the 7<sup>th</sup> Annual General Meeting of the Company held on 27 September 2014, M/s. Deloitte Haskins & Sells, Chartered Accountants, Bangalore have been appointed as Statutory Auditors of the Company for a period of 5 years to hold office until the conclusion of 12<sup>th</sup> AGM to be ratified at each Annual General Meeting, in pursuance of Section 139 of the Companies Act, 2013. Accordingly, the Board seeks members' ratification for the appointment of Deloitte Haskins & Sells, Chartered Accountants as Statutory Auditors at the ensuing 8<sup>th</sup> Annual General Meeting.

## **AUDITORS' REPORT**

Auditors' Report on the financial statements of the Company is forming part of this Annual Report.

There is no qualification, reservation or adverse remark or disclaimer made by the auditors in their report.

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

Particulars relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as prescribed in Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are set out in **ANNEXURE- 'C'** to this report.

## **COST AUDITORS**

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, the cost audit records maintained by the Company are required to be audited by a Cost Auditor. Your directors, on the recommendation of the Audit Committee, have appointed M/s. K. S. Kamalakara & Co., firm of Cost Accountants, Bangalore as Cost Auditors of the Company for the Financial Year 2015-16 on a remuneration of ₹75000 (Rupees Seventy Five Thousand only) plus applicable taxes and reimbursement of out of pocket expenses.

As required under the Companies Act, 2013, the remuneration payable to the Cost Auditors is required to be placed before the Members of the Company in the general meeting for ratification. Accordingly, your Board of Directors seeks Members' ratification of the remuneration payable to M/s K. S. Kamalakara & Co., Cost Accountants for the Financial Year 2015-16.

## **SECRETARIAL AUDIT REPORT**

Mr.Sathya Prasad Yadav, Practicing Company Secretary (ICSI Membership No.18755 and Certificate of Practice No.6775) was appointed to conduct the secretarial audit of the Company for Financial Year 2014-15, as required under section 204 of the Companies Act, 2013 and rules thereunder.

The secretarial audit report for Financial Year 2014-15 forms the part of the annual report as **ANNEXURE- 'D'** of the Board's report.

The Secretarial Auditor has in his Report observed that there has been a delay in filing of returns with the Registrar of Companies on a few occasions and delay in appointment of Chief Financial Officer as Key Managerial Personnel. In this regard, the Board hereby states that the said delays were inadvertent due to the circumstances prevailing during the period. There are no further qualifications or adverse remarks in the Report which require reply from the Board of Directors.

## **ADEQUACY OF INTERNAL FINANCIAL CONTROLS**

Your Company's internal financial controls are deployed through an internally evolved framework that address material risks in your Company's operations and financial reporting objectives, through a combination of entity level controls (including Enterprise Risk Management, Legal Compliance Framework and Anti-fraud Mechanism such as Ethics Framework, Code of Conduct, etc.), process controls (both manual and automated), information technology based controls, period end financial reporting and closing controls and through internal audit.

It is an irrebuttable presumption that internal financial controls, no matter how well conceived and operated, cannot provide absolute assurance of achieving financial, operational and compliance reporting objectives because of its inherent limitations. Also, projections of any evaluation of the internal financial controls to future periods are subject to the risk that the internal financial control may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

We are also undertaking the implementation of a structured framework on Internal Controls which will be based on internationally prescribed frameworks such as COSO 2013 to further strengthen the internal control environment in your Company. This will provide a benchmark approach for evaluating the adequacy of controls and monitoring the operating effectiveness of those controls on an ongoing basis. During the implementation of the structured framework on internal controls, there is a possibility of identifying weaknesses or improvements in the design and / or operation of the existing controls and the underlying processes. Those will be dealt with as they are identified.

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

Your Company has adopted a risk management framework to ensure early identification and management of various critical risks, which accrue to its business model and the risk management framework adopted by the Company ensures continuous focus on identifying, assessment & evaluation, and adequate mitigation of various risks affecting the Company.

The Audit committee reviews the Company's critical risks, overall risk exposure and timely changes to overall exposure, and status of various risk mitigation plans on a periodic basis.

#### **DEPOSITS**

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

#### **PARTICULARS OF EMPLOYEES**

During the period, there were no employees whose particulars are required to be disclosed in terms of Section 197 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

#### **ACKNOWLEDGEMENTS**

The Directors wish to thank the Board of The Sandur Manganese & Iron Ores Ltd, the holding company, Government Authorities, Banks and other stakeholders for their support. The Directors also wish to place on record their appreciation of the good work put in by the employees of the Company.

By order of the Board  
**for Star Metallics and Power Private Limited**

Place : Bangalore  
Date : 26 May 2015

**S. Y. Ghorpade**  
Chairman

**Form No. AOC-2**

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

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto**

**1. Details of contracts or arrangements or transactions not at arm's length basis**

Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements / transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transactions	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under first proviso to section 188
NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

**2. Details of material contracts or arrangement or transactions at arm's length basis**

Name(s) of the related party and nature of relationship	Nature of contracts /arrangements /transactions	Duration of the contracts / arrangements /transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
The Sandur Manganese & Iron Ores Limited  Holding Company	Contract for conversion of manganese ore ('Mn ore') into Silicomanganese ('SiMn') / ferro manganese	Three year agreement entered on 29 September 2010, which was further renewed/ amended on 24 April 2013, 30 October 2013, 24 April 2014 and 5 May 2015	SMIORE to supply Mn ore & other raw materials to the Company for Conversion of Mn ore into SiMn' / ferro manganese for a conversion fee. Company to produce and make available the finished goods to SMIORE.	13/02/2015	NA
	Sale of silicomanganese by SMIORE to SMPPL to enable it to fulfil the export obligations.	Not applicable	Sale of silicomanganese by SMIORE to SMPPL during 2014-15 for ₹14.80 Crore.	-	-

**Form MGT 9**  
**EXTRACT OF ANNUAL RETURN**  
**As on the financial year ended on 31 March 2015**

*Pursuant to section 92(3) of the Companies Act, 2013 &  
rule 12(1) of the Companies (Management and Administration) Rules, 2014*

**I REGISTRATION AND OTHER DETAILS:**

(i)	CIN	U40102KA2007PTC043446
(ii)	Registration date	23 July 2007
(iii)	Name of the Company	Star Metalics and Power Private Limited
(iv)	Category/Sub-category of the Company	Company Limited by Shares/Indian Non- Government Company
(v)	Address of the Registered Office and contact details	Metal & Ferro Alloys Plant P.O. Mariyammanahalli, Vyasankere, Karnataka - 583222 Email: mohan@sandurgroup.com Website: NA
(vi)	Whether Listed Company	No
(vii)	Name address and contact details of the Registrar and Transfer Agent, if any	NOT APPLICABLE

**II PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sl. No.	Name & Description of Main Products/ Services	NIC code of the Product/ Service	% to total turnover of the Company
1.	Conversion Services	NA	51.84
2.	Electricity	35102	36.89
3.	Silico Manganese (traded)	NA	10.55

**III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES**

Sl. No.	Name and address of the Company	CIN/GLN	Holding / Subsidiary/ Associate Company	% of Shares held	Applicable section
1	<b>The Sandur Manganese &amp; Iron Ores Limited</b> Regd. Office: Lakshmipur, Sandur Bellary Dist. Karnataka-583119	L85110KA1954PLC000759	Holding Company	81.24	2(87)(ii) of the Companies Act, 2013

#### IV SHAREHOLDING PATTERN (Equity Share Capital Breakup as Percentage of Total Equity)

<b>(i) Category-wise Share Holding</b>										
	Category of Shareholder	Number of shares held at the beginning of the year				Number of shares held at the end of the year				%change during the year
		Number of shares held in dematerialized form	Number of shares held in physical form	Total	% of total shares	Number of shares held in dematerialized form	Number of shares held in physical form	Total	% of total shares	
<b>A</b>	<b>Promoters</b>									
<b>1</b>	<b>Indian</b>									
(a)	Individuals/ Hindu Undivided Family	--	30,000	30,000	0.03	--	30,000	30,000	0.03	--
(b)	Central Government	--	--	--	--	--	--	--	--	--
(c)	State Government(s)	--	--	--	--	--	--	--	--	--
(d)	Bodies Corporate	--	7,52,40,000	7,52,40,000	81.24	--	7,52,40,000	7,52,40,000	81.24	--
(e)	Financial Institutions/ Banks	--	--	--	--	--	--	--	--	--
(f)	Any Others(Specify)	--	--	--	--	--	--	--	--	--
	<b>Sub Total(A)(1)</b>	--	<b>7,52,70,000</b>	<b>7,52,70,000</b>	<b>81.27</b>	--	<b>7,52,70,000</b>	<b>7,52,70,000</b>	<b>81.27</b>	--
<b>2</b>	<b>Foreign</b>									
a	NRIs - Individuals	--	--	--	--	--	--	--	--	--
b	others - Individuals	--	--	--	--	--	--	--	--	--
c	Bodies Corporate	--	--	--	--	--	--	--	--	--
d	Banks/Financial Institutions	--	--	--	--	--	--	--	--	--
e	Any Others(Specify)	--	--	--	--	--	--	--	--	--
	<b>Sub Total(A)(2)</b>	--	--	--	--	--	--	--	--	--
	<b>Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)</b>	--	<b>7,52,70,000</b>	<b>7,52,70,000</b>	<b>81.27</b>	--	<b>7,52,70,000</b>	<b>7,52,70,000</b>	<b>81.27</b>	--
<b>B</b>	<b>Public Shareholding</b>									
<b>1</b>	<b>Institutions</b>									
(a)	Mutual Funds/ UTI	--	--	--	--	--	--	--	--	--
(b)	Financial Institutions / Banks	--	--	--	--	--	--	--	--	--
(c)	Central Government	--	--	--	--	--	--	--	--	--
(d)	State Government(s)	--	--	--	--	--	--	--	--	--
(e)	Venture Capital Funds	--	--	--	--	--	--	--	--	--
(f)	Insurance Companies	--	--	--	--	--	--	--	--	--
(g)	Foreign Institutional Investors	--	--	--	--	--	--	--	--	--
(h)	Foreign Venture Capital Investors	--	--	--	--	--	--	--	--	--
(i)	Any Other (specify)	--	--	--	--	--	--	--	--	--
	<b>Sub-Total (B)(1)</b>	--	--	--	--	--	--	--	--	--
<b>2</b>	<b>Non-institutions</b>									
(a)	Bodies Corporate	--	1,73,45,000	1,73,45,000	18.73	--	1,73,45,000	1,73,45,000	18.73	--
(b)	Individuals	--	--	--	--	--	--	--	--	--
	i. Individual shareholders holding nominal share capital up to Rs 1 lakh	--	--	--	--	--	--	--	--	--
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	--	--	--	--	--	--	--	--	--
(c)	Any Other (specify)	--	--	--	--	--	--	--	--	--
	i. Clearing members	--	--	--	--	--	--	--	--	--
	ii. Non Resident Individuals	--	--	--	--	--	--	--	--	--
	iii. Trust	--	--	--	--	--	--	--	--	--
	iv.Foreign Portfolio Investor - Corporate	--	--	--	--	--	--	--	--	--
	<b>Sub-Total (B)(2)</b>	--	<b>1,73,45,000</b>	<b>1,73,45,000</b>	<b>18.73</b>	--	<b>1,73,45,000</b>	<b>1,73,45,000</b>	<b>18.73</b>	--
<b>(B)</b>	<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	--	<b>1,73,45,000</b>	<b>1,73,45,000</b>	<b>18.73</b>	--	<b>1,73,45,000</b>	<b>1,73,45,000</b>	<b>18.73</b>	--
	<b>TOTAL (A)+(B)</b>	--	<b>9,26,15,000</b>	<b>9,26,15,000</b>	<b>100.00</b>	--	<b>9,26,15,000</b>	<b>9,26,15,000</b>	<b>100.00</b>	--
<b>(C)</b>	<b>Shares held by Custodians and against which Depository Receipts have been issued</b>	NA	NA	NA	NA	NA	NA	NA	NA	NA
	<b>GRAND TOTAL (A)+(B)+(C)</b>	--	<b>9,26,15,000</b>	<b>9,26,15,000</b>	<b>100.00</b>	--	<b>9,26,15,000</b>	<b>9,26,15,000</b>	<b>100.00</b>	--

<b>(ii) Shareholding of Promoters</b>								
SI No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of shares	% of shares of the Company	% of pledged /encumbered shares	No. of shares	% of shares of the Company	% of pledged /encumbered shares	% change in shareholding during the year
1	N S Lakshmanan	10,000	0.01	0.00	10,000	0.01	0.00	0.00
2	Mohammed Shafiulla	10,000	0.01	0.00	10,000	0.01	0.00	0.00
3	Ahamed Shakir	10,000	0.01	0.00	10,000	0.01	0.00	0.00
4	The Sandur Manganese & Iron Ores Limited	7,52,40,000	81.24	0.00	7,52,40,000	81.24	0.00	0.00
	<b>TOTAL</b>	<b>7,52,70,000</b>	<b>81.27</b>	<b>0.00</b>	<b>7,52,70,000</b>	<b>81.27</b>	<b>0.00</b>	<b>0.000</b>

<b>(iii) Change in Promoter's Shareholding</b>				
Name of the shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of shares of the Company	No. of shares	% of shares of the Company
<b>N S Lakshmanan</b>				
At the beginning of the year	10,000	0.01	10,000	0.01
Purchase during the year	--	--	--	--
Sale during the year	--	--	--	--
At the end of the year			10,000	0.01
<b>Mohammed Shafiulla</b>				
At the beginning of the year	10,000	0.01	10,000	0.01
Purchase during the year	--	--	--	--
Sale during the year	--	--	--	--
At the end of the year			10,000	0.01
<b>Ahamed Shakir</b>				
At the beginning of the year	10,000	0.01	10,000	0.01
Purchase during the year	--	--	--	--
Sale during the year	--	--	--	--
At the end of the year			10,000	0.01
<b>The Sandur Manganese &amp; Iron Ores Limited</b>				
At the beginning of the year	7,52,40,000	81.24	7,52,40,000	81.24
Purchase during the year	--	--	--	--
Sale during the year	--	--	--	--
At the end of the year			7,52,40,000	81.24

<b>(iv) Shareholding Pattern of Top Ten Shareholders other than Promoters and Directors</b>				
Name of the shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of shares of the Company	No. of shares	% of shares of the Company
<b>The Sandur Manganese &amp; Iron Ores Limited</b>				
At the beginning of the year	7,52,40,000	81.24	7,52,40,000	81.24
Purchase during the year	--	--	--	--
Sale during the year	--	--	--	--
At the end of the year			7,52,40,000	81.24
<b>EURO INDUSTRIAL ENTERPRISES PRIVATE LIMITED</b>				
At the beginning of the year	1,73,45,000	18.73	1,73,45,000	18.73
Purchase during the year	--	--	--	--
Sale during the year	--	--	--	--
At the end of the year			1,73,45,000	18.73

<b>(v) Shareholding of Directors &amp; Key Managerial Personnel</b>				
Name of the shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of shares of the Company	No. of shares	% of shares of the Company
<b>S Y Ghorpade: Director</b>				
At the beginning of the year	--	--	--	--
Purchase during the year	--	--	--	--
Sale during the year	--	--	--	--
At the end of the year			--	--
<b>NS Lakshmanan: Director</b>				
At the beginning of the year	10,000	0.01	10,000	0.01
Purchase during the year	--	--	--	--
Sale during the year	--	--	--	--
At the end of the year			10,000	0.01



Nazim Sheikh: Director				
At the beginning of the year	--	--	--	--
Purchase during the year	--	--	--	--
Sale during the year	--	--	--	--
At the end of the year	--	--	--	--
S H. Mohan : Director				
At the beginning of the year	--	--	--	--
Purchase during the year	--	--	--	--
Sale during the year	--	--	--	--
At the end of the year	--	--	--	--
B. Ananda Kumar : Director				
At the beginning of the year	--	--	--	--
Purchase during the year	--	--	--	--
Sale during the year	--	--	--	--
At the end of the year	--	--	--	--
P. Sridaran: Director (Operations)				
At the beginning of the year	--	--	--	--
Purchase during the year	--	--	--	--
Sale during the year	--	--	--	--
At the end of the year	--	--	--	--
A.G. Suresh : Director (Projects)				
At the beginning of the year	--	--	--	--
Purchase during the year	--	--	--	--
Sale during the year	--	--	--	--
At the end of the year	--	--	--	--
Md. Abdul Saleem : Company Secretary				
At the beginning of the year	--	--	--	--
Purchase during the year	--	--	--	--
Sale during the year	--	--	--	--
At the end of the year	--	--	--	--

## V INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment:

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	--	--	--	--
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	12,18,07,151	1,68,78,256	--	13,86,85,407
<b>Total (i+ii+iii)</b>	<b>12,18,07,151</b>	<b>1,68,78,256</b>	<b>--</b>	<b>13,86,85,407</b>
Change in Indebtedness during the financial year				
• Addition	--	--	--	--
• Reduction	12,18,07,151	--	--	12,18,07,151
<b>Net Change</b>	<b>12,18,07,151</b>	<b>--</b>	<b>--</b>	<b>12,18,07,151</b>
Indebtedness at the end of the financial year				
i) Principal Amount	--	--	--	--
ii) Interest due but not paid	--	--	--	--
iii) Interest accrued but not due	--	1,68,78,256	--	1,68,78,256
<b>Total (i+ii+iii)</b>	<b>--</b>	<b>1,68,78,256</b>	<b>--</b>	<b>1,68,78,256</b>

## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:				₹ in lakhs
Sl. no.	Particulars of Remuneration	P. Sridaran Director (Operations)	A.G. Suresh Director (Projects)	Total Amount
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	31.79	29.08	60.87
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			--
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	--	--	--
2	Stock Option	--	--	--
3	Sweat Equity	--	--	--
4	Commission - as % of profit - others, specify...	--	--	--
5	Others, please specify (Contributions)	1.32	1.21	2.53
	<b>Total (A)</b>	<b>33.11</b>	<b>30.29</b>	<b>63.40</b>
	<b>Overall ceiling of 10% of net profit calculated in accordance with Section 198 of the Companies Act, 2013 for managerial remuneration payable to all its Whole-time directors</b>			<b>138.19</b>
	<b>Limit as per Schedule V of the Companies Act, 2013 in case of inadequate profits or no profits</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>

B. Remuneration to other directors					
Particulars of remuneration ₹ in Lakhs	N. S. Lakshmanan	V. Balasubramanian	B. Ananda Kumar	S. S. Rao	Total Amount
<b>3. Independent Directors</b>					
Fee for attending board/committee meeting**	0.22	0.15	0.22	0.15	<b>0.74</b>
commission	--	--	--	--	--
Others, please specify	--	--	--	--	--
<b>Total (1)</b>	<b>0.22</b>	<b>0.15</b>	<b>0.22</b>	<b>0.15</b>	<b>0.74</b>
<b>4. Other Non-Executive directors</b>					
Fee for attending board/committee meeting	--	--	--	--	--
commission	--	--	--	--	--
Others, please specify	--	--	--	--	--
<b>Total (2)</b>	--	--	--	--	--
<b>Total(B) = (1)+(2)</b>					<b>0.74</b>
Total Managerial Remuneration					<b>0.74</b>
<b>Overall ceiling as per the Companies Act, 2013 ( 1% of net profit calculated in accordance with Section 198, exclusive of sitting fees payable to directors</b>					<b>13.82</b>

\*Overall ceiling not applicable since no commission paid in the FY 2014-15

\*\*Exclusive of Service Tax

C. Remuneration to Key Managerial Personnel other than Managing Director/ Manager/WTD			₹ in lakhs
Sl. no.	Particulars of Remuneration		
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		3.80
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		--
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		--
2	Stock Option		--
3	Sweat Equity		--
4	Commission - as % of profit - others, specify...		--
5	Others, please specify (Contributions) - Employer contribution to PF		0.08
	<b>Total (C)</b>		<b>3.88</b>

## VII PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

The Company has not paid any amount by way of penalty/compounding charges.

**Information pursuant to Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of Companies (Accounts) Rules, 2014**

**A. CONSERVATION OF ENERGY:**

- |  |   |   |
|--|---|---|
| (i) Energy conservation measures taken   | : | Reduction of auxiliary consumption in power plant |
| (ii) Steps taken by the Company for utilization of alternate sources of energy | : | NIL   |
| (iii) Capital Investment on energy Conservation Equipment                      | : | NIL   |

**B. TECHNOLOGY ABSORPTION:**

- |  |   |   |
|--|---|---|
| (i) Efforts made in technology absorption  | : | Products manufactured by the Company are based on the indigenous technology, which is fully absorbed. |
| (ii) Benefits derived as a result of the above efforts, e.g., product improvement, cost reduction, product development, import substitution, etc.                  | : | 1) Use of manganese ore fines as sinter<br>2) Use of Manganese slag to reduce use of manganese ore    |
| (iii) In case of imported technology (imported during the last 3 years reckoned from the beginning of the financial year), following information may be furnished: | : | NA  |
| (a) Details of technology imported.  |   |   |
| (b) Year of import.  |   |   |
| (c) Whether the technology been fully absorbed   |   |   |
| (d) If not fully absorbed, areas where absorption has not taken place, and the reasons therefore.  | : |   |
| (iv) Expenditure incurred on Research and Development  | : | NIL   |

**C. FOREIGN EXCHANGE EARNINGS & OUTGO:**

- |                             |   |  |
|-----------------------------|---|--|
| 1 Foreign Exchange Earnings | : | Please refer to Note No.27 in the Notes to Accounts  |
| 2 Foreign Exchange Outgo    | : | Please refer to Note No.25 in the Notes to Accounts. |

**Form No. MR-3  
SECRETARIAL AUDIT REPORT  
FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2015**

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the  
Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To  
The Members  
**STAR METALLICS AND POWER PRIVATE LIMITED**  
P.O. Mariyammanahalli,  
Vyasankere  
Karnataka – 583 222

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **STAR METALLICS AND POWER PRIVATE LIMITED**, (hereinafter called the Company) bearing CIN U40102KA2007PTC043446, which is a subsidiary of a public listed company. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has in general, during the audit period covering the financial year ended on **31<sup>st</sup> March, 2015**, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on, 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under.
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder.  
**(Not applicable during the audit period)**
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.  
**(Not applicable during the audit period)**
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.  
**(Not applicable during the audit period)**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.  
**(Not applicable during the audit period)**
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992.  
**(Not applicable during the audit period)**
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009.  
**(Not applicable during the audit period)**

- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999.  
**(Not applicable during the audit period)**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.  
**(Not applicable during the audit period)]**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.  
**(Not applicable during the audit period)**
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;  
**(Not applicable during the audit period) and**
- (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998  
**(Not applicable during the audit period).**

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.  
**Not applicable to the Company during the audit period.**
- (ii) The Listing Agreements.  
**(Not applicable during the audit period)**

During the period under review based on the explanations and representations made by the management, the Company has generally complied with the provisions of the Companies Act, Rules, Regulations, Guidelines etc. as mentioned above *except in few circumstances that there has been delays in filing of returns with the Registrar of Companies and delay in appointment of Chief Financial Officer as Key Managerial Personnel.*

I further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following Laws and the Rules thereunder applicable specifically to the Company:

- (i) The Electricity Act, 2003
- (ii) Indian Boilers Act, 1923
- (iii) Explosives Act, 1884

I further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors Non-Executive Directors and Independent Directors.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance to the directors, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Decisions at the Board Meeting, as represented by Management, were taken unanimously.

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

Place: Bangalore  
Date: 26/05/2015

Name and Signature : Sathya Prasad T  
Designation : Practicing Company Secretary  
Stamp : ACS No. 18755; CP No.6775

Note: This report is to be read with my letter of even date which is annexed as **Annexure 'D - I'** and forms an integral part of this report.

To  
The Members  
**STAR METALLICS AND POWER PRIVATE LIMITED**  
P.O. Mariyammanahalli,  
Vyasankere  
Karnataka – 583 222

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

- (1) Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
- (2) I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
- (3) I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
- (4) Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
- (5) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
- (6) The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management as conducted the affairs of the company.

Place: Bangalore  
Date: 26/05/2015

Name and Signature : Sathya Prasad T  
Designation : Practicing Company Secretary  
Stamp : ACS No. 18755; CP No.6775

## **ADDENDUM TO DIRECTORS' REPORT FINANCIAL YEAR 2014-15**

### **ADOPTION OF POLICY ON NOMINATION AND REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL (KMP) AND OTHER EMPLOYEES**

The Board of Directors, in its meeting held on 7 August 2015, has adopted a Policy on Nomination and Remuneration of Directors, Key Managerial Personnel (KMP) and other Employees. The aforementioned policy has been appended as an **ANNEXURE - 'E'** to this addendum.

### **POLICY ON RETIREMENT OF DIRECTORS AND KEY MANAGEMENT PERSONNEL**

#### ***Retirement of Director***

As per the Policy on Nomination and Remuneration of Directors, Key Managerial Personnel (KMP) and other Employees adopted by the Board of Directors on 7 August 2015, A Whole time director (Other than Promoter Director) shall retire at the age of 65 years and the Non-Executive Director (Other than Promoter Director) shall retire at the age of 75 years.

However, no retirement age has been fixed for retirement of Independent Director except that no Independent Director who has attained age of 75 years shall be appointed as an Independent Director. An independent director who was appointed just before the attainment of 75 years of age will continue his first full term for which he is appointed. Similarly, an Independent Director who was appointed for a second term before the attainment of 75 years of age will continue his office till he completes his full term. Subject to the above, an Independent Director be allowed to hold office for two consecutive terms of five years each, as stipulated in Sections 149(10) and 149(11) of the Companies Act, 2013.

Further, the Key Managerial Personnel (other than Whole Time Directors) and the Senior Management Personnel shall retire at the age of 60 years which may be extended up to a maximum of 65 years, under exceptional circumstances, to be recorded in writing and duly approved by the Nomination and Remuneration Committee.

#### ***Resignation of Director***

In line with the policy, Mr. P. Sridaran, Whole Time Director has submitted his resignation on 7<sup>th</sup> August 2015 which was accepted by your Board. Your Board places its appreciation on record of the valuable services rendered by him.

### **KEY MANAGERIAL PERSONNEL**

Mr. Md. Abdul Saleem, who was appointed as Company Secretary on 28 March 2015, has resigned from the said position on 7 August 2015. In his place, Mr. V. Murali has been appointed as Company Secretary w. e. f. 7 August 2015.

### **CORPORATE SOCIAL RESPONSIBILITY**

Pursuant to the provisions of Section 135 of the Companies Act, 2013, read with subsequent clarifications given by Ministry of Corporate Affairs, every company having a net worth of ₹ 500 crore or more, or turnover of ₹ 1000 crore or more or a net profit of ₹ 5 crore or more during any of the three preceding financial years shall constitute a Corporate Social Responsibility Committee consisting of three or more directors, out of which at least one director shall be an Independent Director. The Board's report under sub-section (3) of section 134 of the Companies Act, 2013, shall disclose the composition of the Corporate Social Responsibility Committee.

Further, the Board of every company referred to above shall ensure that the company spends, in every financial year, at least 2% of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy

Your company incurred losses during the three preceding financial years 2011-12(₹ 19.59 crore), 2012-13 (₹ 9.83 crore) and 2013-14 (₹ 2.41 crore). Hence, no contribution was required to be made as per the said provisions of the Companies Act 2013. Your company, therefore, did not constitute a CSR Committee during the financial year 2014-15

However, your Company earned a profit of ₹ 13.17 Crores during the financial year 2014-15 and it is expected that the positive trend will continue in the coming years also. Hence, in compliance with the aforementioned statutory provisions, your Company has constituted a Corporate Social Responsibility (CSR) Committee at its Board Meeting held on 7 August 2015.

The Composition of CSR committee is as follows:

1. Mr. V. Balasubramanian - Chairman
2. Mr. B. Ananda Kumar– Member
3. Mr. S. S.Rao - Member
4. Dr. H. R. Halambi - Member

By order of the Board  
**for Star Metallics and Power Private Limited**

Place : Bangalore  
Date : 7 August 2015

**S. Y. Ghorpade**  
Chairman



**Policy on Nomination and Remuneration  
of  
Directors, Key Managerial Personnel (KMPs) and other employees**

**PREAMBLE**

The Company considers human resources as its invaluable assets. This policy on nomination and remuneration of Directors, Key Managerial Personnel (KMPs) and senior management personnel has been formulated in terms of the provisions of the Companies Act, 2013 in order to pay equitable remuneration to the Directors, KMPs and employees of the Company and to harmonise the aspirations of human resources consistent with the goals of the Company.

**DEFINITIONS**

'Board' means Board of Directors of the Company.

'Directors' means Directors of the Company.

'Committee' means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, in accordance with the Companies Act 2013.

'Company' means The Star Metallica and Power Private Limited.

'Independent Director' means a Director referred to in Section 149(6) of the Companies Act, 2013.

'Key Managerial Personnel (KMP)' means-

- i) the Managing Director or the Chief Executive Officer or the Manager and in their absence, all Whole time Director;
- ii) the Company Secretary; and
- iii) the Chief Financial Officer
- iv) the Chief Operating Officer

Senior Management means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the Executive Directors, including the functional heads. For the purpose, as defined in the Code of Conduct for Senior Management Personnel, officers in the cadre of Additional General Manager and above shall be considered to be the Senior Management.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 and rules thereunder as may be amended from time to time shall have the meaning respectively assigned to them therein.

'Remuneration' means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961;

**Constitution of the Nomination and Remuneration Committee**

The Board constituted the 'Nomination and Remuneration Committee' (NRC) at its 35th Meeting held on 28 March 2015.

The constitution shall be in line with the requirements under the Companies Act, 2013. The Board has authority to reconstitute the NRC from time to time.

**Role of the Nomination and Remuneration Committee**

Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

Formulation of criteria for evaluation of Independent Directors and the Board;

Devising a policy on Board diversity

Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

### **Scope of Policy**

This Policy is divided in three parts: -

Part – A covers the matters to be dealt with and recommended by the Committee to the Board;

Part – B covers the appointment and nomination; and

Part – C covers performance evaluation and remuneration.

### **Object of Policy**

This Policy has been formulated with a view to;

1. Devise a transparent system of determining appropriate level of remuneration throughout all levels of directors, KMPs, core management team and the senior management personnel in the Company;
2. Encourage personnel to perform to their highest level
3. Provide consistency in remuneration throughout the Company; and
4. Aligning the performance of the business with the performance of key personnel and teams within the Company

### **‘Part – A’**

#### **MATTERS TO BE DEALT WITH, PERUSED AND RECOMMENDED TO THE BOARD BY THE NOMINATION AND REMUNERATION COMMITTEE**

The following matters shall be dealt by the Committee:-

#### **Size and composition of the Board:**

Periodically review the size and composition of the Board to ensure that it is structured to make appropriate decisions, with the diversity of thought, experience, knowledge, perspective and gender in the Board, in the best interest of the Company as a whole;

#### **Appointments/Re-appointments:**

Identify when circumstances warrant the appointment of a new Director, having regard to the range of skills, experience and expertise, on the Board and who will best complement the Board;

Identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment

Formulate the criteria determining qualifications, positive attributes and independence of a Director and recommending candidates to the Board.

Establishing and reviewing Board and senior executive succession plans in order to ensure and maintain an appropriate balance of skills, experience and expertise on the Board and Senior Management.

#### **Performance Evaluation:**

Formulate the criteria and framework for evaluation of performance of every Director on the Board of the Company.

Identify ongoing training and education programs for the Board to ensure that Non-Executive Directors are provided with adequate information regarding the business, the industry and their legal responsibilities and duties.

#### **Remuneration framework and policies:**

The Committee is responsible for reviewing and making recommendations to the Board on:

1. the remuneration of the Managing Director, Whole-time Directors and KMPs
2. the total level of remuneration of Non-Executive Directors and for individual remuneration of Non-Executive Directors;
3. the remuneration policies for KMPs, senior management personnel and other employees

## ‘Part – B’

### APPOINTMENT AND NOMINATION

#### **Appointment criteria and qualifications**

1. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or senior management level and recommend to the Board his / her appointment.
2. A person to be appointed as Director, KMP or senior management level should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
3. A person, to be appointed as Director, should possess impeccable reputation for integrity, deep expertise and insights in sectors / areas relevant to the Company, ability to contribute to the Company’s growth, complementary skills in relation to the other Board members.
4. Appointment process of independent directors shall be independent of the company management;
5. While selecting the independent directors the Committee shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
6. The Company shall not appoint or continue the employment of any person (other than promoter director) as whole-time Director who has attained the age of sixty five years and shall not appoint or continue any person as a Non-Executive Director (other than promoter director) or Independent Director who has attained the age of seventy five years.
7. A whole-time KMP of the Company shall not hold office in more than one company except in its subsidiary company at the same time. However, a whole-time KMP can be appointed as a Director in any company, with the permission of the Board of Directors of the Company.

#### **Letter of Appointment or Contract of Employment**

Executive Directors shall enter into a contract with the Company clearly setting out the terms and conditions of the remuneration package for such person. The Contract of employment shall set out the expectations for the performance, the key performance indicators, measures and criteria for assessment or evaluation of performance.

The appointment of independent directors shall be formalised through a letter of Appointment, which shall set forth the terms and conditions of appointment, the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks the list of actions that a director should not do while functioning as such in the company; and the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.

#### **Term / Tenure**

##### **1. *Managing Director / Whole-time Director***

The Company shall appoint or re-appoint any person as its Managing Director and CEO or Whole-time Director for a term not exceeding three years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

##### **2. *Independent Director***

An Independent Director shall hold office for a term not exceeding five consecutive years on the Board of the Company and will be eligible for re-appointment for another term not exceeding five years on passing of a special resolution by the Company and disclosure of such appointment in the Board’s report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

No retirement age has been fixed for Independent Director except that no person who has attained the age of 75 years shall be appointed as an Independent Director. An independent director who was appointed prior to attainment of 75 years of age will continue his first full term for which he is appointed. Similarly, an Independent Director who was appointed for a second term prior to attainment of 75 years of age will continue his office till he completes his full term. Subject to the above, an Independent Director be allowed to hold office for two consecutive terms of five years each, as stipulated in Sections 149(10) and 149(11) of the Companies Act, 2013.

At the time of appointment of Independent Director, it shall be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time (Executive) Director of a listed company.

### **Removal**

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director or KMP subject to the provisions and compliance of the said Act, rules and regulations.

### **Retirement**

The Whole time directors (other than promoter directors) shall retire at the age of 65 years and the Non-Executive Directors (other than whole time directors) shall retire at the age of 75 years. The Independent Directors shall be allowed to hold office for two consecutive terms of five years each as stipulated in Sections 149(10) and 149(11) of the Companies Act, 2013;

Further, the Key Managerial Personnel (other than Whole Time Directors) and the Senior Management Personnel shall retire at the age of 60 years which may be extended up to a maximum of 65 years under exceptional circumstances to be recorded in writing and duly approved by the NRC.

## **‘Part – C’**

### **PERFORMANCE EVALUATION AND REMUNERATION**

#### **Performance Evaluation of the Board/Executive-Directors/Independent Directors**

The Committee shall identify and lay down the criteria based on which the Board shall evaluate the performance of Independent Directors (excluding the Directors being evaluated).

In addition, the Committee shall also establish evaluation criterion for the Executive Directors.

The evaluation criterion for Directors shall be broadly based on:

- Knowledge to perform the role;
- Time and level of participation;
- Performance of duties and level of oversight; and
- Professional conduct and independence.

The appointment / re-appointment / continuation of Directors on the Board shall be subject to the outcome of the yearly evaluation process.

The Board is committed to assessing its own performance as a Board in order to identify its strengths and areas in which it may improve its functioning. Once a year, the Board shall conduct a self-evaluation. The Board shall also evaluate the performance of the various Committees of the Board.

It is the responsibility of the Chairman of the Board, supported by the Company Secretary of the Company, to organise the evaluation process and act on its outcome;

The Board / Independent Directors shall be asked to complete the evaluation forms and submit the same to the Chairman.

Simultaneously, the Independent Directors shall review the performance of the Executive Directors and the Board as whole.

The Independent Directors shall also review the performance of the Chairman of the Company, taking into account the views of the Executive Directors and Non-executive Directors.

The Independent Directors shall also assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

The Directors' Report shall include a statement indicating a manner in which the Board has done formal annual evaluation of its own performance, performance of Committees and individual Directors of the Company.

### **Remuneration to Directors**

The total managerial remuneration payable to its directors, including managing director and whole-time director, and its manager in respect of any financial year shall not exceed eleven per cent of the net profits of that company for that financial year computed in the manner laid down in section 198 except that the remuneration of the directors shall not be deducted from the gross profits.

The Directors may be paid in excess of eleven per cent of the net profits with the approval of the Central Government subject to the provisions of Schedule V.

The remuneration / compensation / commission etc. to Directors will be determined by the Committee shall be in accordance with the provisions of the Companies Act, 2013, and the rules made thereunder and recommended to the Board for approval.

Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the limits approved by the Shareholders.

#### *Remuneration to Executive Directors*

Remuneration payable to all Whole-time Directors/Executive Directors taken together shall not exceed ten per cent of the net profits.

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Executive Directors in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.

#### *Remuneration to Non-Executive / Independent Directors*

Non-executive and independent directors shall receive sitting fees and may receive reimbursement for expenditure incurred wholly in connection with attending meetings of the Board and other meetings and profit related commission as may be approved by the Shareholders. Non-Executive and Independent Directors shall not be entitled to any stock options.

The remuneration to the Non-executive Directors (including Independent Directors) may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013

<b>Remuneration Structure for Independent Directors</b>	
<b>Particulars</b>	<b>Amount</b>
Sitting fee for Board Meeting	₹10,000/- per meeting, per director including the Independent Directors meetings
Sitting fee for Committee Meeting	₹5,000/- for Audit Committee and ₹5,000 for each of the other committees,
Travel fee	Reimbursement of Air, Car, Rail, Bus fare etc.,

The remuneration payable to each Non-Executive Director and Independent Directors is based on the remuneration structure as determined by the Board in line with the provisions of the Companies Act, 2013 and the rules made thereunder, and may be revised from time to time, depending on individual contribution and the Company's performance.

#### *Remuneration to KMPs and other employees*

The Board in consultation with the Committee shall approve and finalise the remuneration to be offered to the Key Managerial Personnel and senior management personnel having regard to the need to:

- attract and motivate talent to pursue the Company's long term growth;
- demonstrate a clear relationship between executive compensation and performance;
- to follow best governance practices and legal requirements; and
- be reasonable and fair.

The remuneration package shall be composed of amounts that are fixed and variable. The endeavor of the Board and the Committee shall be to strike a balance between the fixed and variable components and thereby sustainable value for the Company and its shareholders over time. The Company while deciding the remuneration package of the senior management shall take into consideration the employment scenario and remuneration package of the industry.

The fixed remuneration shall be determined according to complexities of the position and role of the employee, the relevant laws and regulations, conditions prevalent in the labour market. The fixed remuneration shall reflect the core performance requirement and expectations of the Company.

The performance-based or incentive based payments shall form part of the variable component of the salary payable to the employee. In addition to the fixed remuneration, the Company shall implement a system of bonuses and incentives reflecting performance objectives appropriate to the working of the Company and designed to lay emphasis on direct relationship between performance and remuneration. Performance based remuneration shall be proportionate to and contingent upon attainment of specific performance targets by employees in the Company. Incentive based payments take into account factors such as performance of the employee, his conduct, responsibilities, position and role and shall be calculated as a percentage of the fixed remuneration.

#### **Policy review**

This policy is framed based on the provisions of the Companies Act, 2013 and rules thereunder.

In case of any subsequent changes in the provisions of the Companies Act, 2013 or any other regulations which makes any of the provisions in the policy inconsistent with the Act or regulations, then the provisions of the Act or regulations would prevail over the policy and the provisions in the policy would be modified in due course to make it consistent with law.

This policy shall be reviewed by the Nomination and Remuneration Committee as and when any changes are to be incorporated in the policy due to change in regulations or as may be felt appropriate by the Committee. Any changes or modification on the policy as recommended by the Committee would be given for approval of the Board of Directors.

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## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF STAR METALLICS AND POWER PRIVATE LIMITED**

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of **STAR METALLICS AND POWER PRIVATE LIMITED ("the Company")**, which comprise the Balance Sheet as at 31st March, 2015 the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

#### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

#### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2015, and its profit and its cash flows for the year ended on that date.

## **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact the financial position.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **DELOITTE HASKINS & SELLS**  
**Chartered Accountants**  
(Firm Registration No. 008072S)

**Monisha Parikh**  
Partner  
(Membership No. 47840)

**BANGALORE**, 26<sup>th</sup> May, 2015



## ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- i. In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- ii. In respect of its inventories:
  - (a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
  - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
  - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the Register maintained under Section 189 of the Act.
- iv. In our opinion and according to the information and explanations given to us, having regard to the explanations that most of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits during the year and does not have any unclaimed deposits.
- vi. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of Section 148 of the Act, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. According to the information and explanations given to us, in respect of statutory dues :
  - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
  - (b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at 31st March, 2015 for a period of more than six months from the date they became payable.

- (c) There are no dues of Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess which have not been deposited as on 31st March, 2015 on account of disputes.
  - (d) There were no amounts which were required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and Rules made thereunder.
- viii. The accumulated losses of the Company at the end of the financial year are less than fifty per cent of its net worth and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- ix. In our opinion and according to the information and explanations given to us, the Company has not taken any term loans from banks or financial institutions or have not issued any debentures.
- x. According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from bank or financial institutions.
- xi. In our opinion and according to the information and explanations given to us, the Company did not avail any term loans during the year.
- xii. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS**  
**Chartered Accountants**  
(Firm Registration No. 008072S)

**Monisha Parikh**  
Partner  
(Membership No. 47840)

**BANGALORE**, 26<sup>th</sup> May, 2015

**STAR METALLICS AND POWER PRIVATE LIMITED**  
**(A subsidiary of The Sandur Manganese & Iron Ores Limited)**

**BALANCE SHEET AS AT 31 MARCH, 2015**

Particulars	Note No.	As at 31.03.2015 ₹	As at 31.03.2014 ₹
<b>A EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share capital	3	926,150,000	926,150,000
(b) Reserves and surplus	4	637,841,357	506,668,366
		<u>1,563,991,357</u>	<u>1,432,818,366</u>
<b>2 Non-current liabilities</b>			
(a) Other long-term liabilities	5	115,882,336	138,685,407
(b) Long-term provisions	6	3,704,586	1,344,721
		<u>119,586,922</u>	<u>140,030,128</u>
<b>3 Current liabilities</b>			
(a) Trade payables		249,358,881	516,270,337
(b) Other current liabilities	7	112,815,195	41,273,432
(c) Short-term provisions	8	1,595,482	2,014,328
		<u>363,769,558</u>	<u>559,558,097</u>
<b>TOTAL</b>		<u>2,047,347,837</u>	<u>2,132,406,591</u>
<b>B ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	9	1,561,845,209	1,602,679,280
(ii) Capital work-in-progress		6,500,252	10,185,749
		<u>1,568,345,461</u>	<u>1,612,865,029</u>
(b) Long-term loans and advances	10	50,668,121	52,156,255
(c) Other non-current assets	11	16,407,000	20,876,461
		<u>1,635,420,582</u>	<u>1,685,897,745</u>
<b>2 Current assets</b>			
(a) Inventories	12	185,658,888	246,571,602
(b) Trade receivables	13	27,535,414	713,862
(c) Cash and cash equivalents	14	156,977,859	128,832,649
(d) Short-term loans and advances	15	40,229,638	49,884,810
(e) Other current assets	16	1,525,456	20,505,923
		<u>411,927,255</u>	<u>446,508,846</u>
<b>TOTAL</b>		<u>2,047,347,837</u>	<u>2,132,406,591</u>

See accompanying notes forming part of the financial statements

In terms of our report attached  
For **DELOITTE HASKINS & SELLS**  
Chartered Accountants

**Monisha Parikh**  
Partner

Place: Bangalore  
Date: May 26, 2015

For and on behalf of the Board of Directors

**S H Mohan**  
Director

**Sachin Sanu**  
Chief Financial Officer

**P Sridaran**  
Director (Operations)

**Md Abdul Saleem**  
Company Secretary

**STAR METALLICS AND POWER PRIVATE LIMITED**  
**(A subsidiary of The Sandur Manganese & Iron Ores Limited)**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2015**

Particulars	Note No.	For the year ended 31 March, 2015 ₹	For the year ended 31 March, 2014 ₹
1 Revenue from operations	17	1,479,281,792	1,250,406,449
2 Other income	18	13,998,800	17,637,827
3 <b>Total revenue (1 + 2)</b>		<u>1,493,280,592</u>	<u>1,268,044,276</u>
4 <b>Expenses</b>			
(a) Cost of coal consumed for power generation	26 c)	935,508,377	689,810,513
(b) Cost of materials consumed	26 a)	11,994,476	9,299,839
(c) Purchases of stock-in-trade	26 b)	147,966,000	235,940,000
(d) Employee benefits expense	19	38,066,994	34,671,026
(e) Finance costs	20	102,275	15,011
(f) Depreciation	9	50,923,509	89,854,669
(g) Other expenses	21	176,987,383	232,563,618
<b>Total expenses</b>		<u>1,361,549,014</u>	<u>1,292,154,676</u>
5 <b>Profit / (Loss) before tax (3 - 4)</b>		<u>131,731,578</u>	<u>(24,110,400)</u>
6 Tax expense			
(a) Current tax		-	-
(b) Deferred tax	33	-	-
7 <b>Profit / (Loss) after tax (6 - 7)</b>		<u>131,731,578</u>	<u>(24,110,400)</u>
8 Earnings per share of ₹ 10 each	32		
Basic and Diluted		1.42	(0.26)

See accompanying notes forming part of the financial statements

In terms of our report attached  
For **DELOITTE HASKINS & SELLS**  
Chartered Accountants

**Monisha Parikh**  
Partner

Place: Bangalore  
Date: May 26, 2015

**For and on behalf of the Board of Directors**

**S H Mohan**  
Director

**Sachin Sanu**  
Chief Financial Officer

**P Sridaran**  
Director (Operations)

**Md Abdul Saleem**  
Company Secretary

**STAR METALLICS AND POWER PRIVATE LIMITED**  
**(A subsidiary of The Sandur Manganese & Iron Ores Limited)**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2015**

Particulars	For the year ended 31 March, 2015 ₹	For the year ended 31 March, 2014 ₹
<b>A. Cash flow from operating activities</b>		
Net Profit / (Loss) before tax	131,731,578	(24,110,400)
Adjustments for:		
- Depreciation	50,923,509	89,854,669
- Finance costs	102,275	15,011
- Provision for doubtful trade receivables and advances	1,446,159	70,728
- Bad advance written off	225,000	1,217
- Loss on scrapping of fixed assets	36,580	-
- Interest income	(5,068,292)	(3,954,079)
<b>Operating profit before working capital changes</b>	<b>179,396,809</b>	<b>61,877,146</b>
<b>Changes in working capital:</b>		
Adjustments for (increase) / decrease in operating assets:		
Inventories	60,912,714	(188,006,916)
Trade receivables	(28,035,897)	14,341,006
Short-term loans and advances	9,198,358	(25,902,413)
Other current assets	19,145,483	(19,145,483)
Long-term loans and advances	122,145	43,428
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(266,911,456)	274,548,680
Short-term provisions	(418,846)	1,382,889
Long-term provisions	2,359,865	148,806
Other long-term liabilities	(22,803,071)	-
Other current liabilities	88,346,900	(2,856,391)
<b>Cash generated from operations</b>	<b>(138,083,805)</b>	<b>54,553,606</b>
Net income tax paid	1,914,123	(7,764,839)
<b>Net cash flow from operating activities (A)</b>	<b>43,227,127</b>	<b>108,665,913</b>
<b>B. Cash flow from investing activities</b>		
Capital expenditure on fixed assets (including capital work in progress and advance on capital account)	(23,481,994)	(19,562,283)
Bank balances not considered as cash and cash equivalents	883,445	(6,636,799)
Interest received	4,032,891	3,254,059
<b>Net cash flow used in investing activities (B)</b>	<b>(18,565,658)</b>	<b>(22,945,023)</b>
<b>C. Cash flow from financing activities</b>		
Finance cost	(102,275)	(15,011)
<b>Net cash flow used in financing activities (C)</b>	<b>(102,275)</b>	<b>(15,011)</b>
<b>Net cash flow during the year (A+B+C)</b>	<b>24,559,194</b>	<b>85,705,879</b>
Cash and cash equivalents at the beginning of the year	113,732,649	28,026,770
Cash and cash equivalents at the end of the year	138,291,843	113,732,649
Increase / (decrease) in cash and cash equivalents	24,559,194	85,705,879
<b>Note:</b>		
Cash and cash equivalents as per balance sheet (Refer Note 14)	156,977,859	128,832,649
Less: Deposits against guarantee	18,686,016	15,100,000
Cash and cash equivalents as reported above	138,291,843	113,732,649

See accompanying notes forming part of the financial statements

In terms of our report attached  
For **DELOITTE HASKINS & SELLS**  
Chartered Accountants

For and on behalf of the Board of Directors

**Monisha Parikh**  
Partner

**S H Mohan**  
Director

**P Sridaran**  
Director (Operations)

**Md Abdul Saleem**  
Company Secretary

Place: Bangalore  
Date: May 26, 2015

**Sachin Sanu**  
Chief Financial Officer

**STAR METALLICS AND POWER PRIVATE LIMITED**  
**(A subsidiary of The Sandur Manganese & Iron Ores Limited)**

**Notes forming part of the financial statements**

**1 Corporate information**

The Company is a subsidiary of The Sandur Manganese & Iron Ores Limited (SMIORE), a listed public limited company. The Company is engaged in the production of Ferroalloys and generation of power at its plant located at Vyasankere, near Hospet in Bellary District.

**2 Significant accounting policies**

**2.1 Basis of accounting and 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 specified under Section 133 of the Companies (Accounts) Rules, 2014, and the relevant provisions of the Companies Act, 2013 (“the 2013 Act”) / the Companies Act, 1956 (“the 1956 Act”), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

**2.2 Use of estimates**

The Company uses prudent and reasonable assumptions and estimates in the preparation of its financial statements, and these are reflected in the reported amounts of income and expenses during the year, and the reported balances of assets and liabilities, and disclosures relating to contingent liabilities, as at the date of the financial statements.

**2.3 Fixed assets**

Fixed assets are capitalised at acquisition cost including attributable cost of bringing the asset to its working condition for the intended use.

Incidental expenditure during construction period (net of related income arising during that period), which are specifically attributable to the project, incurred prior to commencement of commercial operations, are capitalized as per the requirements of Accounting Standard 10 – Accounting for fixed assets.

**2.4 Depreciation**

Depreciation amount for assets is the cost of an asset, or the amount substituted for cost, less its estimated residual value. Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the 2013 Act.

**2.5 Capital work-in-progress**

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

**2.6 Impairment of fixed assets**

Consideration is given at each balance sheet date to determine whether there is any indication of impairment of the carrying amount of the Company’s fixed assets. If any indication exists, an impairment loss is recognised when the carrying amount exceeds greater of net selling price or value in use.

**2.7 Borrowing costs**

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalized as part of the cost of that asset till such time as the asset is ready for its intended use. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use. Other borrowing costs are recognised as an expense in the period in which they are incurred.

**2.8 Inventories**

Inventories are valued at lower of cost or net realisable value.

The costs are, in general, ascertained as under:

Raw materials and stores and spares: Weighted average method based on actual cost.

**STAR METALLICS AND POWER PRIVATE LIMITED**  
**(A subsidiary of The Sandur Manganese & Iron Ores Limited)**

**Notes forming part of the financial statements**

Finished goods and Work-in-progress: Material cost on weighted average method plus labour and appropriate overheads, and where applicable, excise duty.

**2.9 Revenue recognition**

Revenue from sale of goods is recognised when goods are dispatched in accordance with the terms of sale and when significant risks and rewards are considered as transferred and are recorded net of sales returns, trade discount, rebates and sales tax collected but includes excise duty, where applicable.

Revenue from sale of power is recognised on accrual basis based on the power generated and supplied as per applicable rates from time to time and includes unbilled revenues accrued up to the end of the accounting year.

Revenue from conversion of Manganese Ore into Silico-manganese is recognised at the time of dispatch of goods to the contractor.

**2.10 Foreign currency transactions**

Foreign exchange transactions are recorded at the exchange rates prevailing on the date of transaction.

Foreign exchange rate fluctuations relating to monetary assets and liabilities are restated at the year end rates. The net loss or gain arising on restatement / settlement, if any, is adjusted to the statement of profit and loss.

In respect of forward exchange contracts, the premium or discount arising at the inception of such a forward exchange contract is amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss of the reporting period in which the exchange rates change.

**2.11 Employee benefits**

Short-term employee benefits are recognised as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related services are rendered by the employees.

Post employment benefits are recognised as an expense in the statement of profit and loss of the year in which the employee has rendered services. The expense is recognised at the present value of the amount payable towards contributions. The present value is determined by reference to the market yields at the balance sheet date, on Government Bonds where the currency and terms of the Government Bonds are consistent with the currency and estimated terms of the defined benefit obligation.

Other long-term employee benefits are recognised as an expense in the statement of profit and loss of the period in which the employee has rendered services. Estimated liability on account of long-term benefits is discounted to the present value, by reference to the market yields at the balance sheet date, on Government Bonds where the currency and terms of the Government Bonds are consistent with the currency and estimated terms of the long-term employee benefits.

Actuarial gains and losses in respect of post employment benefits and other long-term benefits are charged to the statement of profit and loss on accrual basis.

**2.12 Cash flow statement**

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

**2.13 Leases**

A lease is classified as an Operating Lease, if it does not transfer substantially all the risks and rewards incidental to ownership. Lease rentals are charged to statement of profit and loss on straight-line basis over the lease term, estimated by the management.

**2.14 Segment reporting**

Segments are identified based on the types of products and the internal organization and management structure. The Company has identified business segment as primary reporting segment.

**STAR METALLICS AND POWER PRIVATE LIMITED**  
**(A subsidiary of The Sandur Manganese & Iron Ores Limited)**

**Notes forming part of the financial statements**

The Company's primary segments consist of Ferroalloys and Power.

Unallocable represents other income and expenses which relate to the Company as a whole and are not allocated to segments.

**2.15 Taxes on income**

**Current tax**

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961.

**Minimum Alternate Tax (MAT)**

MAT paid in accordance with the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax in the future years. Accordingly, MAT is recognised as an asset in the Balance Sheet where it is highly probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably.

**Deferred tax**

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred tax relating to items directly recognised in reserves are recognised in reserves and not in the Statement of Profit and Loss.

**2.16 Earnings per share**

The basic earnings / (loss) per share is computed by dividing the net profit / (loss) attributable to equity shareholders for the year by the weighted average number of equity shares outstanding during the year. The number of shares used in computing diluted earnings per share comprises the weighted average shares considered for deriving basic earnings per share, and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares.

**2.17 Provisions and contingencies**

A provision is recognised when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised but are disclosed in the notes.

Contingent assets are neither recognised nor disclosed in the financial statements.

**2.18 Operating cycle**

All assets and liabilities are classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the revised Schedule III of the 2013 Act. Normal operating cycle is based on the time between the acquisition of assets for processing and their realisation into cash and cash equivalents.



**STAR METALLICS AND POWER PRIVATE LIMITED**  
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**Notes forming part of the financial statements**

**3 Share capital**

Particulars	As at 31 March, 2015		As at 31 March, 2014	
	Number of shares	₹	Number of shares	₹
(a) Authorised Equity shares of ₹10 each with voting rights	100,000,000	1,000,000,000	100,000,000	1,000,000,000
(b) Issued, subscribed and fully paid up Equity shares of ₹10 each with voting rights	92,615,000	926,150,000	92,615,000	926,150,000
	92,615,000	926,150,000	92,615,000	926,150,000

**Notes:**

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting year:

Particulars	Opening Balance	Fresh issue	Bonus / other changes	Closing Balance
Equity shares with voting rights				
As at 31 March, 2015				
- Number of shares	92,615,000	-	-	92,615,000
- Amount (₹)	926,150,000	-	-	926,150,000
As at 31 March, 2014				
- Number of shares	92,615,000	-	-	92,615,000
- Amount (₹)	926,150,000	-	-	926,150,000

(ii) Rights, preference and restriction attached to shares:

The Company has only one class of equity share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Directors is subject to approval by the Shareholders at the ensuing Annual General Meeting. In the event of liquidation of the Company, the equity shareholders are entitled to receive only residual assets of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iii) Details of shares held by each shareholder holding more than 5% shares:

Name of shareholder	As at 31 March 2015		As at 31 March, 2014	
	Number of shares held	% of share holding	Number of shares held	% of share holding
<b>Equity shares with voting rights</b>				
The Sandur Manganese & Iron Ores Limited, the Holding Company	75,240,000	81.24	75,240,000	81.24
Euro Industrial Enterprises Private Limited	17,345,000	18.73	17,345,000	18.73

**STAR METALLICS AND POWER PRIVATE LIMITED**  
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**Notes forming part of the financial statements**

	As at 31 March, 2015	As at 31 March, 2014
	₹	₹
<b>4 Reserves and surplus</b>		
Securities premium account	925,150,000	925,150,000
Deficit in Statement of Profit and Loss		
Opening balance	(418,481,634)	(394,371,234)
Less: Depreciation adjustment on transition to Schedule II of the 2013 Act on tangible fixed assets (Refer note 35)	(558,587)	-
Add : Profit / (Loss) for the year	131,731,578	(24,110,400)
	<u>(287,308,643)</u>	<u>(418,481,634)</u>
	<u>637,841,357</u>	<u>506,668,366</u>
<b>5 Other long-term liabilities</b>		
Trade payables	99,004,080	-
Interest accrued but not due on borrowings	16,878,256	138,685,407
	<u>115,882,336</u>	<u>138,685,407</u>
<b>6 Long-term provisions</b>		
Provision for gratuity (Refer note 28A)	2,201,007	578,904
Provision for compensated absences (Refer note 28B)	1,503,579	765,817
	<u>3,704,586</u>	<u>1,344,721</u>
<b>7 Other current liabilities</b>		
Statutory remittances	961,207	1,562,523
Payables on purchase of fixed assets	15,032,943	31,838,080
Advances from customers	89,176,015	327,799
Security / other deposits received	200,000	100,000
Retention money payable	7,445,030	7,445,030
	<u>112,815,195</u>	<u>41,273,432</u>
<b>8 Short-term provisions</b>		
Provision for gratuity (Refer note 28A)	128,411	981,735
Provision for compensated absences (Refer note 28B)	1,467,071	1,032,593
	<u>1,595,482</u>	<u>2,014,328</u>

**STAR METALLICS AND POWER PRIVATE LIMITED**  
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**Notes forming part of the financial statements**

**9 Fixed Assets**

₹

Description Note (1)	Gross block ( in ₹)				Accumulated depreciation ( in ₹)				Net block ( in ₹)		
	Balance as at 01 April, 2014	Additions / adjustments	Disposals	Balance as at 31 March, 2015	Balance as at 01 April, 2014	For the year	On disposals	Transition adjustment recorded against balance in deficit in Statement of Profit and Loss (Refer Note 35)	Balance as at 31 March, 2015	Balance as at 31 March, 2015	Balance as at 31 March, 2014
<b>Tangible assets</b>											
Freehold land	138,339,089	-	-	138,339,089	-	-	-	-	-	138,339,089	138,339,089
	(138,339,089)	(-)	(-)	(138,339,089)	(-)	(-)	(-)	(-)	(-)	(138,339,089)	(138,339,089)
Buildings and roads	189,365,324	28,625	-	189,393,949	22,492,603	6,788,033	-	-	29,280,636	160,113,313	166,872,721
	(188,921,762)	(443,562)	(-)	(189,365,324)	(15,273,289)	(7,219,314)	(-)	(-)	(22,492,603)	(166,872,721)	(173,648,473)
Plant and machinery	1,559,356,387	8,175,840	-	1,567,532,227	271,697,977	41,632,941	-	-	313,330,918	1,254,201,309	1,287,658,410
	(1,470,976,431)	(88,379,956)	(-)	(1,559,356,387)	(190,197,628)	(81,500,349)	(-)	(-)	(271,697,977)	(1,287,658,410)	(1,280,778,803)
Vehicles	2,061,398	1,639,656	-	3,701,054	916,835	454,876	-	-	1,371,711	2,329,343	1,144,563
	(2,061,398)	(-)	(-)	(2,061,398)	(721,002)	(195,833)	(-)	(-)	(916,835)	(1,144,563)	(1,340,396)
Computer systems	1,872,345	262,795	147,250	1,987,890	764,089	512,179	110,670	71,591	1,237,189	750,701	1,108,256
	(1,066,195)	(806,150)	(-)	(1,872,345)	(518,929)	(245,160)	(-)	(-)	(764,089)	(1,108,256)	(547,266)
Office equipments	3,307,557	551,502	-	3,859,059	475,968	908,916	-	486,996	1,871,880	1,987,179	2,831,589
	(2,665,326)	(642,231)	(-)	(3,307,557)	(328,539)	(147,429)	(-)	(-)	(475,968)	(2,831,589)	(2,336,787)
Furniture and fixtures	5,978,849	26,187	-	6,005,036	1,254,197	626,564	-	-	1,880,761	4,124,275	4,724,652
	(4,456,988)	(1,521,861)	(-)	(5,978,849)	(707,613)	(546,584)	(-)	(-)	(1,254,197)	(4,724,652)	(3,749,375)
	<b>1,900,280,949</b>	<b>10,684,605</b>	<b>147,250</b>	<b>1,910,818,304</b>	<b>297,601,669</b>	<b>50,923,509</b>	<b>110,670</b>	<b>558,587</b>	<b>348,973,095</b>	<b>1,561,845,209</b>	<b>1,602,679,280</b>
	(1,808,487,189)	(91,793,760)	(-)	(1,900,280,949)	(207,747,000)	(89,854,669)	(-)	(-)	(297,601,669)	(1,602,679,280)	(1,600,740,189)

**Notes:**

- (1) Represents owned assets, unless otherwise stated.  
(2) Previous years figures are in brackets

	As at 31 March, 2015	As at 31 March, 2014
	₹	₹
<b>10 Long-term loans and advances</b>		
(Unsecured, considered good)		
Capital advances	5,807,351	6,129,602
Security deposits	24,122,427	24,111,927
Advance income tax	20,738,343	21,782,081
Prepaid expenses	-	132,645
	<u>50,668,121</u>	<u>52,156,255</u>
<b>11 Other non-current assets</b>		
Deposits against guarantees with maturity of more than 12 months from the Balance Sheet date (Refer note 14)	<u>16,407,000</u>	<u>20,876,461</u>
<b>12 Inventories</b>		
(At lower of cost and net realisable value)		
Raw materials (includes ₹ 7,69,65,265 (As at 31 March, 2014 ₹ 21,82,87,930) of materials-in-transit)	147,715,834	221,081,846
Stores and spares	37,943,054	25,489,756
	<u>185,658,888</u>	<u>246,571,602</u>

**STAR METALLICS AND POWER PRIVATE LIMITED**  
**(A subsidiary of The Sandur Manganese & Iron Ores Limited)**

**Notes forming part of the financial statements**

	As at 31 March, 2015	As at 31 March, 2014
	₹	₹
<b>13 Trade receivables</b>		
(Unsecured)		
Trade receivables outstanding for a period exceeding six months from due date		
Considered good	-	84,049
Considered doubtful	<b>4,957,377</b>	3,743,032
	<u><b>4,957,377</b></u>	<u>3,827,081</u>
Less : Provisions for doubtful trade receivables	<b>4,957,377</b>	3,743,032
	-	84,049
Other trade receivables		
Considered good	<b>27,535,414</b>	629,813
	<u><b>27,535,414</b></u>	<u>713,862</u>
<b>14 Cash and cash equivalents</b>		
Cash and cash equivalents		
Cash on hand	<b>48,837</b>	52,748
Balances with banks		
- In current accounts	<b>99,843,006</b>	107,679,901
- In deposits accounts	<b>38,400,000</b>	6,000,000
	<u><b>138,291,843</b></u>	<u>113,732,649</u>
<b>Other bank balances</b>		
Deposits against guarantees with original maturity of more than 3 months	<b>35,093,016</b>	35,976,461
Deposits with original maturity of more than 3 months	-	-
Less: Amount disclosed under non-current assets (Refer note 11)	<b>16,407,000</b>	20,876,461
	<u><b>18,686,016</b></u>	<u>15,100,000</u>
	<u><b>156,977,859</b></u>	<u><b>128,832,649</b></u>
<b>15 Short-term loans and advances</b>		
(Unsecured, considered good, unless otherwise stated)		
Loans and advances to employees	<b>33,750</b>	46,250
Prepaid expenses	<b>1,740,989</b>	1,592,080
Balances with government authorities	<b>17,905,357</b>	21,459,431
Advance to suppliers		
Considered good	<b>20,549,542</b>	26,787,049
Considered doubtful	<b>296,499</b>	62,685
	<u><b>20,846,041</b></u>	<u>26,849,734</u>
Less: Provision for doubtful advances	<b>296,499</b>	62,685
	<u><b>20,549,542</b></u>	<u>26,787,049</u>
	<u><b>40,229,638</b></u>	<u>49,884,810</u>

**STAR METALLICS AND POWER PRIVATE LIMITED**  
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Notes forming part of the financial statements

	For the year ended 31 March, 2015	For the year ended 31 March, 2014
	₹	₹
<b>16 Other current assets</b>		
Interest accrued on deposits	1,525,456	1,360,440
Unbilled revenue	-	16,917,983
Others	-	2,227,500
	<u>1,525,456</u>	<u>20,505,923</u>
<b>17 Revenue from operations</b>		
<b>(a) Sales :</b>		
- Sale of power	545,695,938	453,766,274
- Sale of traded goods (Silico-manganese)	156,054,807	246,028,357
<b>Total (a)</b>	<u>701,750,745</u>	<u>699,794,631</u>
<b>(b) Other operating revenues :</b>		
- Conversion charges	766,966,094	541,414,488
- Sale of raw materials	5,153,875	6,119,522
- Sale of scrap	5,411,078	3,077,808
<b>Total (b)</b>	<u>777,531,047</u>	<u>550,611,818</u>
<b>Revenue from operations (a+b)</b>	<u>1,479,281,792</u>	<u>1,250,406,449</u>
<b>18 Other income</b>		
Interest on		
- Fixed deposits with banks	3,972,123	3,501,149
- Security deposits	225,784	213,240
- Income tax refund	870,385	239,690
	<u>5,068,292</u>	<u>3,954,079</u>
Other non-operating income		
- Duty drawback / other schemes	8,348,448	13,514,325
- Miscellaneous income	582,060	169,423
	<u>8,930,508</u>	<u>13,683,748</u>
	<u>13,998,800</u>	<u>17,637,827</u>
<b>19 Employee benefits expense</b>		
Salaries, wages and bonus	33,781,200	31,351,005
Contribution to provident fund (refer note 28C)	1,257,621	1,070,259
Staff welfare expenses	2,096,268	1,436,052
Gratuity (refer note 28 A)	931,905	813,710
	<u>38,066,994</u>	<u>34,671,026</u>
<b>20 Finance costs</b>		
Interest expense on:		
- Trade payables	97,322	-
- Delayed payment of income tax and other taxes	4,953	15,011
	<u>102,275</u>	<u>15,011</u>

**STAR METALLICS AND POWER PRIVATE LIMITED**  
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**Notes forming part of the financial statements**

	For the year ended 31 March, 2015 ₹	For the year ended 31 March, 2014 ₹
<b>21 Other expenses</b>		
Operation and maintenance charges	34,213,620	33,708,000
Stores and spares consumed	32,948,525	34,186,288
Power and fuel	1,146,891	57,424,442
Rent	1,496,705	1,631,481
Repairs and maintenance		
- Plant and machinery	3,401,922	11,446,482
- Buildings	1,111,822	150,612
- Others	2,728,529	6,269,826
	<u>7,242,273</u>	<u>17,866,920</u>
Insurance	2,681,777	2,500,377
Rates and taxes (Net of recoveries of ₹ 2,42,51,563, 31 March, 2014 ₹ Nil)	1,642,576	1,826,417
Travelling and conveyance	999,638	1,720,979
Vehicle expenses	3,286,557	2,894,365
Selling expenses	19,191,175	21,898,995
Legal and professional charges	570,327	2,436,908
Payments to auditors (Refer note no 34)	1,529,893	1,541,005
Sub-contracting charges	43,334,035	32,970,735
Security charges	5,880,381	4,734,815
Loss on scraping of fixed assets	36,580	-
Net loss on foreign currency transactions	5,255,161	10,738,262
Provision for doubtful trade receivables and advances	1,448,159	70,728
Bad loans and advances written off	225,000	1,217
Prior period expense (Repairs and maintenance - Plant and machinery)	9,126,909	-
Miscellaneous expenses	4,731,201	4,411,684
	<u>176,987,383</u>	<u>232,563,618</u>

**22 Contingent liabilities and commitments (to the extent not provided for)**

(i) Contingent liabilities (Claims against the company not acknowledged as debt)

Electricity tax (relating to applicability of tax) - 16,998,467

The above amounts have been arrived based on the notice of demand and the Company is contesting the claim with the authorities. Outflows, if any, arising out of this claim would depend on the outcome of the decision of the appellate authority and the Company's right for future appeal before judiciary.

(ii) Capital commitments

Estimated amount of contracts to be executed on capital account (net of advances) and not provided for 1,422,901 4,222,277

**23** There are no micro and small enterprises to whom the Company owes dues which are outstanding as at the Balance Sheet date. The information regarding Micro Enterprises and Small Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

**STAR METALLICS AND POWER PRIVATE LIMITED**  
**(A subsidiary of The Sandur Manganese & Iron Ores Limited)**

Notes forming part of the financial statements

	As at 31 March, 2015 ₹	As at 31 March, 2014 ₹
<b>24 Value of imports calculated on CIF basis</b>		
Raw materials	605,044,541	552,724,981
Stores and spares	128,278	-
	<u>605,172,819</u>	<u>552,724,981</u>

**25 Expenditure in foreign currency**

	For the year ended 31 March, 2015 ₹	For the year ended 31 March, 2014 ₹
Repairs and maintenance	9,126,909	-
	<u>9,126,909</u>	<u>-</u>

**26 a) Cost of materials consumed**

Particulars	For the year ended 31 March, 2015 ₹	For the year ended 31 March, 2014 ₹
<b>For production:</b>		
Dolomite	222,534	754,760
Quartz	6,457,371	2,662,092
Other Materials	-	966,076
	<u>6,679,905</u>	<u>4,382,928</u>
<b>For sale:</b>		
Coal	5,314,571	4,916,911
	<u>5,314,571</u>	<u>4,916,911</u>
<b>Total</b>	<u>11,994,476</u>	<u>9,299,839</u>

	%	For the year ended 31 March, 2015 ₹	%	For the year ended 31 March, 2014 ₹
<b>Whereof:</b>				
Imported	-	-	-	-
Indigenous	<b>100</b>	11,994,476	100	9,299,839
	<b>100</b>	<u>11,994,476</u>	100	<u>9,299,839</u>

**Note:**

The value of raw materials and components consumed is arrived at on the basis of purchases less closing stock. Consumption therefore includes adjustment for shortage / excess, used for captive consumption, write-off, etc.

**b) Purchases of stock-in-trade**

Particulars	For the year ended 31 March, 2015 ₹	For the year ended 31 March, 2014 ₹
Silico-manganese	<b>147,966,000</b>	235,940,000
<b>Total</b>	<u>147,966,000</u>	<u>235,940,000</u>

**STAR METALLICS AND POWER PRIVATE LIMITED**  
**(A subsidiary of The Sandur Manganese & Iron Ores Limited)**

**Notes forming part of the financial statements**

**c) Consumption of coal**

	%	For the year ended 31 March, 2015 ₹	%	For the year ended 31 March, 2014 ₹
Imported	70	657,888,131	80	552,724,981
Indigenous	30	277,620,246	20	137,085,532
	<b>100</b>	<b>935,508,377</b>	<b>100</b>	<b>689,810,513</b>

**d) Consumption of stores and spares**

	%	For the year ended 31 March, 2015 ₹	%	For the year ended 31 March, 2014 ₹
Imported	0	128,278	0	-
Indigenous	100	32,820,247	100	34,186,288
	<b>100</b>	<b>32,948,525</b>	<b>100</b>	<b>34,186,288</b>

**27 Earnings in foreign exchange**

	For the year ended 31 March, 2015 ₹	For the year ended 31 March, 2014 ₹
Export of goods calculated on F.O.B basis	156,054,807	246,028,357
	<u>156,054,807</u>	<u>246,028,357</u>

**28 Employee benefit plan:**

**A. Defined Benefit Plan - Unfunded:**

	For the year ended 31 March, 2015 ₹	For the year ended 31 March, 2014 ₹
Details of post retirement gratuity plan are as follows:		
a) Reconciliation of opening and closing balances of the present value of the defined benefit obligation:		
Obligations at the beginning of the year	1,560,639	832,024
Add: Current service cost	398,080	201,183
Add: Interest cost	115,368	71,842
Add/ (Less): Actuarial losses/(gains) on obligations	418,457	540,685
(Less): Benefits paid during the year	(163,126)	(85,095)
Obligations at the end of the year	<b>2,329,418</b>	1,560,639
b) Reconciliation of opening and closing balances of the fair value of plan assets:		
Fair Value of plan assets at the beginning of the year	-	-
Add: Expected return on plan assets	-	-
Add/(less): actuarial gains/(losses)	-	-
Add: Contributions by employer	-	-
(Less): Benefits paid	-	-
Fair value of plan assets at the end of the year	-	-
c) Reconciliation of present value of defined benefit obligation and the fair value of plan assets to the assets and liabilities recognised in the balance sheet:		
Present value of obligation	2,329,418	1,560,639
(Less): Fair value of plan assets	-	-
Amount recognised in the balance sheet		
- Current	128,411	981,735
- Non-current	<u>2,201,007</u>	<u>578,904</u>
	<b>2,329,418</b>	<b>1,560,639</b>



**STAR METALLICS AND POWER PRIVATE LIMITED**  
**(A subsidiary of The Sandur Manganese & Iron Ores Limited)**

**Notes forming part of the financial statements**

	For the year ended 31 March, 2015	For the year ended 31 March, 2014
	₹	₹
d) Expenses recognised in the statement of profit and loss under "Gratuity" in Note 19:		
Current service cost	398,080	201,183
Add: Interest cost	115,368	71,842
(Less): Expected return on plan assets	-	-
Add: Actuarial losses/(gains) recognised during the year	418,457	540,685
	931,905	813,710
e) Principal actuarial assumptions:		
Discount rate per annum	7.80%	9.10%
Salary escalation rate	5.00%	5.00%
Attrition rate	5.00%	5.00%
Retirement age	60 years	60 years
Mortality rate	IALM (2006-08) UIT Table	IALM (2006-08) UIT Table

f) Summary of defined benefit obligation / plan assets and experience adjustments:

	2014-15	2013-14	2012-13	2011-12	2010-11
	₹	₹	₹	₹	₹
Defined benefit obligation	2,329,418	1,560,639	832,024	308,127	182,968
Plan assets -	-	-	-	-	-
Surplus / (deficit)	(2,329,418)	(1,560,639)	(832,024)	(308,127)	(182,968)
Experience adjustments on plan liabilities – (loss) / gain	(262,963)	(324,005)	(352,912)	(19,880)	29,530
Experience adjustments on plan assets – (loss) / gain	-	-	-	-	-

**B. Other long term benefit – Unfunded**

	As at 31 March 2015	As at 31 March 2014
	₹	₹
The defined benefit obligation which is provided for but not funded is as under.		
Liability for compensated absence at the year end		
- Current	1,467,071	1,032,593
- Non-current	1,503,579	765,817
	2,970,650	1,798,410

The actuarial valuation has been carried out using project unit credit method in respect of compensated absences based on assumptions given in respect of gratuity valuation.

The discount rate for defined benefit plan and other long term benefit is based on the prevailing market yields of Indian Government securities as at the balance sheet for the estimated term of obligations. The estimate of future salary increases considered for defined benefit plan and other long term benefit takes into account the inflation, seniority, promotion, increments and other relevant factors.

**C. Defined Contribution Plans:**

The Company makes provident fund contributions which are defined contribution plans, for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The Company recognised ₹ 1,257,621 (year ended 31 March, 2014 ₹ 1,070,259) for contribution to provident fund in note 19 in the statement of profit and loss (as part of contribution to provident fund). The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

The Company has made provident fund contributions at predetermined rates to the SMIORE Employees' Provident Fund Trust and to the Regional Provident Fund Commissioner towards employee pension scheme.

**STAR METALLICS AND POWER PRIVATE LIMITED**  
**(A subsidiary of The Sandur Manganese & Iron Ores Limited)**

Notes forming part of the financial statements

**29. Segment reporting**

**a) Primary Segments (Business Segments)**

₹

Particulars	Ferroalloys		Power		Unallocable		Elimination		Total	
	For the year ended 31 March, 2015	For the year ended 31 March, 2014	For the year ended 31 March, 2015	For the year ended 31 March, 2014	For the year ended 31 March, 2015	For the year ended 31 March, 2014	For the year ended 31 March, 2015	For the year ended 31 March, 2014	For the year ended 31 March, 2015	For the year ended 31 March, 2014
<b>Revenue :</b>										
External sales	928,174,776	793,768,187	551,107,016	462,073,032	-	-	-	-	1,479,281,792	1,255,841,219
Inter segment sales	-	-	581,222,106	381,725,400	-	-	(581,222,106)	(381,725,400)	-	-
<b>Total revenue</b>	<b>928,174,776</b>	<b>793,768,187</b>	<b>1,132,329,122</b>	<b>843,798,432</b>	<b>-</b>	<b>-</b>	<b>(581,222,106)</b>	<b>(381,725,400)</b>	<b>1,479,281,792</b>	<b>1,255,841,219</b>
<b>Result :</b>										
Segment Profit / (Loss)	51,682,753	3,777,820	84,354,080	(23,674,902)	-	-	-	-	136,036,833	(19,897,082)
Unallocated net (expense) / income	-	-	-	-	(4,202,980)	(4,198,307)	-	-	(4,202,980)	(4,198,307)
Operating profit / (loss)	51,682,753	3,777,820	84,354,080	(23,674,902)	(4,202,980)	(4,198,307)	-	-	131,833,853	(24,095,389)
Finance cost	-	-	-	-	102,275	15,011	-	-	102,275	15,011
Profit / (loss) before taxes	51,682,753	3,777,820	84,354,080	(23,674,902)	(4,305,255)	(4,213,318)	-	-	131,731,578	(24,110,400)
Taxes	-	-	-	-	-	-	-	-	-	-
<b>Net Profit / (loss)</b>	<b>51,682,753</b>	<b>3,777,820</b>	<b>84,354,080</b>	<b>(23,674,902)</b>	<b>(4,305,255)</b>	<b>(4,213,318)</b>	<b>-</b>	<b>-</b>	<b>131,731,578</b>	<b>(24,110,400)</b>
<b>Other Information</b>										
Segment assets	392,441,049	368,292,885	1,503,050,091	1,618,249,154	151,856,697	145,864,552	-	-	2,047,347,837	2,132,406,591
Segment liabilities	215,267,973	199,836,878	260,711,511	493,797,532	7,376,996	5,953,815	-	-	483,356,480	699,588,225
Capital expenditure including capital work - in progress	4,899,840	4,532,949	2,099,268	5,561,882	-	-	-	-	6,999,108	10,094,831
Depreciation	12,450,807	16,545,007	38,202,517	73,042,095	270,185	267,567	-	-	50,923,509	89,854,669
Other significant non-cash expenses (allocable) (provision for doubtful debts, bad debts)	1,163,178	2,443	509,981	69,502	-	-	-	-	1,673,159	71,945

Note 1: Primary business segments have been identified on the basis of distinguishable businesses in which the Company is engaged.

Note 2: Inter-segment transfer from Power to Ferroalloys is at arm's length price.

**STAR METALLICS AND POWER PRIVATE LIMITED**  
**(A subsidiary of The Sandur Manganese & Iron Ores Limited)**

**Notes forming part of the financial statements**

**b) Secondary segments (Geographical segments)**

(i) Disclosure of Segment revenue, based on geographical location of customers

₹

<b>Geographical Segments</b>	<b>2014-15</b>	<b>2013-14</b>
India	1,323,226,985	1,004,378,092
Rest of world	156,054,807	246,028,357
<b>Total</b>	<b>1,479,281,792</b>	<b>1,250,406,449</b>

(ii) Total Carrying amount of assets, by geographical location

<b>Location of Assets</b>	<b>2014-15</b>	<b>2013-14</b>
India	2,026,609,494	2,110,039,881
Rest of world	-	584,629
<b>Total</b>	<b>2,026,609,494</b>	<b>2,110,624,510</b>

Note: Most of the assets are not identifiable separately to any reportable segment as these are used interchangeably between segments

(iii) Capital expenditure during the year (including capital work in progress)

<b>Location of Assets</b>	<b>2014-15</b>	<b>2013-14</b>
India	6,999,108	10,094,831
Rest of world	-	-
<b>Total</b>	<b>6,999,108</b>	<b>10,094,831</b>

Note: The above costs of assets are not identifiable separately to any reportable segment as these are used interchangeably between segments.

**30 Related Party Disclosures**

A. Names of related parties and description of relationship:

<b>Sl.No.</b>	<b>Description of relationship</b>	<b>Names of related parties</b>
a	Holding company	The Sandur Manganese & Iron Ores Limited (SMIORE)
b	Enterprise having significant influence	Euro Industrial Enterprises Private Limited (EIEPL)
c	Key management personnel	S H Mohan - Director P Sridaran - Director (Operations) (w.e.f September 16, 2013) A G Suresh - Director (Projects) (w.e.f September 16, 2013)
d	Relative of a Director	Mubeen A Sheriff, relative of Nazim Sheikh (up to May 31, 2013)

**STAR METALLICS AND POWER PRIVATE LIMITED**  
**(A subsidiary of The Sandur Manganese & Iron Ores Limited)**

**Notes forming part of the financial statements**

B. Summary of transactions with related parties, during the year and year end balances are as follows:

₹

Sl. No.	Nature of Transactions / Balances outstanding	Holding Company	Enterprise having significant influence	Key Management Personnel	Relative of a Director	Total
<b>1</b>	Salaries and Wages:					
	- Mubeen A Sheriff	-	-	-	-	-
		(-)	(-)	(-)	(188,222)	(188,222)
	- P. Sridaran	-	-	<b>3,310,425</b>	-	<b>3,310,425</b>
		(-)	(-)	(1,814,189)	(-)	(1,814,189)
	- A. G. Suresh	-	-	<b>3,029,625</b>	-	<b>3,029,625</b>
		(-)	(-)	(1,636,556)	(-)	(1,636,556)
<b>2</b>	Sale of Materials					
	- SMIORE	<b>5,153,875</b>	-	-	-	<b>5,153,875</b>
		(6,425,789)	(-)	(-)	(-)	(6,425,789)
<b>3</b>	Purchase of materials	<b>147,966,000</b>	-	-	-	<b>147,966,000</b>
	- SMIORE	(235,940,000)	(-)	(-)	(-)	(235,940,000)
<b>4</b>	Conversion charges					
	- SMIORE	<b>766,966,094</b>	-	-	-	<b>766,966,094</b>
		(541,414,488)	(-)	(-)	(-)	(541,414,488)
<b>5</b>	Recovery of expense					
	- SMIORE	<b>24,251,563</b>	-	-	-	<b>24,251,563</b>
		(-)	(-)	(-)	(-)	(-)
<b>6</b>	Reimbursement of expense					
	- SMIORE	<b>1,675,703</b>	-	-	-	<b>1,675,703</b>
		(755,881)	(-)	(-)	(-)	(755,881)
	<b>Balances as at the year end:</b>					
<b>7</b>	Amount due as at year end to:					
	- SMIORE	<b>188,162,883</b>	-	-	-	<b>188,162,883</b>
		(296,146,401)	(-)	(-)	(-)	(296,146,401)
	- EIEPL	-	<b>29,878,256</b>	-	-	<b>29,878,256</b>
		(-)	(29,878,256)	(-)	(-)	(29,878,256)
	- P. Sridaran	-	-	<b>202,900</b>	-	<b>202,900</b>
		(-)	(-)	(142,368)	(-)	(142,368)
	- A. G. Suresh	-	-	<b>202,290</b>	-	<b>202,290</b>
		(-)	(-)	(152,793)	(-)	(152,793)
<b>8</b>	Corporate guarantee issued on behalf of the Company by					
	- SMIORE	<b>105,000,000</b>	-	-	-	<b>105,000,000</b>
		(105,000,000)	(-)	(-)	(-)	(105,000,000)

**Notes:**

- (i) The above information has been determined to the extent such parties have been identified on the basis of information provided by the Company, which has been relied upon by the auditors.
- (ii) The above transactions are compiled from the date in which these parties became related and includes reimbursement of expenses which are accounted in the natural heads of accounts.
- (iii) Previous year figures are in brackets.

**STAR METALLICS AND POWER PRIVATE LIMITED**  
**(A subsidiary of The Sandur Manganese & Iron Ores Limited)**

**Notes forming part of the financial statements**

**31 Operating Leases:**

	For the year ended 31 March, 2015 ₹	For the year ended 31 March, 2014 ₹
Lease payments recognised in the statement of profit and loss	1,496,705	1,631,481

The Company had entered into operating lease arrangements for residential accommodation and vacant land for storage of goods. The leases are generally for a period of 6 months to 24 months and with renewal options after the lease term. The operating leases are cancellable by the lessor or the lessee, with a notice of two to three months.

**32 Earnings per share**

	For the year ended 31 March, 2015 ₹	For the year ended 31 March, 2014 ₹
Nominal value of equity share (₹)	10	10
Weighted average number of equity shares outstanding	92,615,000	92,615,000
Profit / (Loss) after taxation considered for calculation of basic and diluted earnings per share (₹)	131,731,578	(24,110,400)
Earnings Per Share – Basic and Diluted (₹)	1.42	(0.26)

**33 Deferred tax**

The net Deferred tax as at 31 March, 2015 amounting to ₹ Nil (as at 31 March, 2014: ₹ Nil) has been arrived at as follows:

	As at 31 March, 2015 ₹	As at 31 March, 2014 ₹
<b>A Deferred tax assets arising from:</b>		
Unabsorbed depreciation allowance *	198,410,486	152,820,893
	<b>198,410,486</b>	<b>152,820,893</b>
<b>B Deferred tax liabilities arising from:</b>		
Difference between carrying amount of fixed assets in the financial statements and the Income tax return	198,410,486	152,820,893
	<b>198,410,486</b>	<b>152,820,893</b>
Net deferred tax asset / (liability) (A-B)	-	-
Net deferred tax charge for the year	-	-

\*Restricted to the extent that there are compensatory timing differences the reversal of which will result in sufficient future taxable income against which this can be realised.

**34 Payment to Auditors**

	To Statutory Auditors	As at 31 March, 2015	As at 31 March, 2014
For Audit		1,150,000	1,150,000
For Tax audit		200,000	200,000
For Reimbursement of out of pocket expenses		179,893	191,005
	Total	1,529,893	1,541,005

**STAR METALLICS AND POWER PRIVATE LIMITED**  
**(A subsidiary of The Sandur Manganese & Iron Ores Limited)**

**Notes forming part of the financial statements**

**35** During the year, pursuant to the notification of Schedule II to the Companies Act, 2013 with effect from April 1, 2014, the Company revised the estimated useful life of some of its assets to align the useful life with those specified in Schedule II. Further, assets individually costing ₹5,000/- or less that were depreciated fully in the year of purchase are now depreciated based on the useful life considered by the Company for the respective category of assets. The details of previously applied depreciation method, rates / useful life are as follows:

<b>Asset</b>	<b>Previous depreciation rate / useful life</b>	<b>Revised useful life</b>
Buildings	1.63% / 3.34% / 10% ~ 10/30/60 years	10 / 30 / 60 years
Office Equipment	4.75% / ~ 20 years	5 years
Vehicles	9.5% / ~ 10 years	8 years
Plant & Machinery	4.75 - 5.28% / ~ 19-21 years	15 / 20 / 25 / 40 years
Computer systems	16.2% / ~ 6 years	3 years
Furniture & Fixtures	6.3% / ~ 16 years	10 years

Pursuant to the transition provisions prescribed in Schedule II to the Companies Act, 2013, the Company has fully depreciated the carrying value of assets, net of residual value, where the remaining useful life of the asset was determined to be nil as on April 1, 2014, and has adjusted an amount of ₹ 558,587 against the opening deficit balance in the statement of profit and loss under Reserves and surplus.

The depreciation expense in the statement of profit and loss for the year is lower by ₹ 3,99,86,154 consequent to the above change in the useful life of assets.

**36** Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

**Signatures to Notes 1 to 36.**  
**For and on behalf of the Board of Directors**

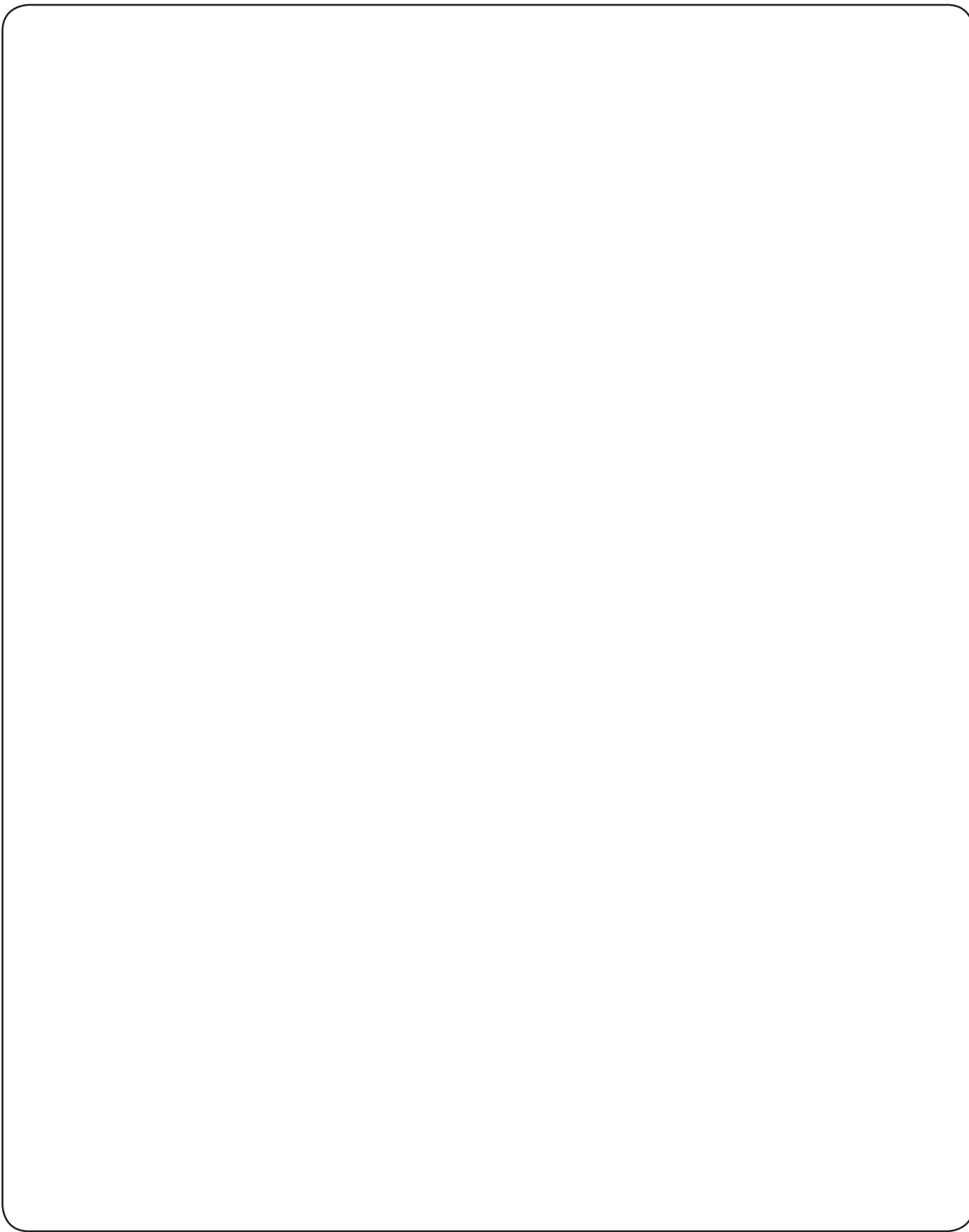
**S H Mohan**  
 Director

**P Sridaran**  
 Director (Operations)

**Md. Abdul Saleem**  
 Company Secretary

Place: Bangalore  
 Date: May 26, 2015

**Sachin Sanu**  
 Chief Financial Officer



# Star Metallies and Power Private Limited

(A subsidiary of The Sandur Manganese & Iron Ores Limited)

CIN:U40102KA2007PTC043446

Registered Office: Metal & Ferroalloys Plant, Vyasankere,  
Mariyammanahalli - 583 222, Hospet Taluk, Bellary Dist., Karnataka

## PROXY FORM

Form MGT-11

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

Name of the member (s) : .....

Registered Address : .....

E-mail Id : .....

Folio No / Client Id : .....

DP ID. : .....

I / We, being the member(s) of \_\_\_\_\_ shares of the above named Company, hereby appoint

1. Mr./Ms. \_\_\_\_\_, \_\_\_\_\_ (name of the proxy), \_\_\_\_\_ (signature of proxy)

Address  
Email:

or failing him/her

2. Mr./Ms. \_\_\_\_\_, \_\_\_\_\_ (name of the proxy), \_\_\_\_\_ (signature of proxy)

Address  
Email:

or failing him/her

3. Mr./Ms. \_\_\_\_\_, \_\_\_\_\_ (name of the proxy), \_\_\_\_\_ (signature of proxy)

Address  
Email:

As my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 8<sup>th</sup> Annual General Meeting of the Company, to be held on Saturday, 19 September 2015, at 3.00 p.m.IST, and at any adjournment thereof in respect of such resolution as are indicated below:

RESOLUTIONS	FOR	AGAINST
Item No.1		
Item No.2		
Item No.3		

RESOLUTIONS	FOR	AGAINST
Item No.4		
Item No.5		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2015

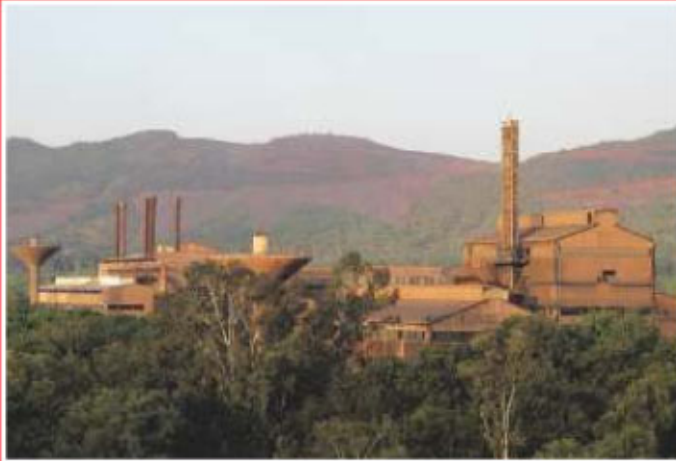
Signature of Shareholder \_\_\_\_\_

Signature of Proxy Holder(s) \_\_\_\_\_

Affix  
Revenue  
Stamp

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





**If undelivered please return to:**

**STAR METALLICS AND POWER PRIVATE LIMITED**

*(A subsidiary of The Sandur Manganese & Iron Ores Limited)*

1A & 2C, 'Redifice Signature'

No. 6, Hospital Road, Shivaji Nagar, Bangalore - 560 001, Karnataka, INDIA.

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