
INSILCO LIMITED

(under voluntary liquidation w.e.f. 25.06.2021)

33rd ANNUAL REPORT 2020-21

BRIEF PROFILE OF DIRECTORS

Mr. Dara Phirozeshaw Mehta (Chairman of the Board) (Independent Non-Executive Director)



Mr. Dara Phirozeshaw Mehta is a solicitor and advocate. He was admitted to the Bar as an Advocate of the Bombay High Court in 1955 and as a solicitor of the Bombay High Court in 1957. He holds a B.A. degree from Bombay University, an LL.B. degree from Poona University and an LL.M.

degree from Harvard University. He is still in active practice as a partner emeritus of Little & Co., Bombay. Mr. Mehta has vast experience in the fields of corporate law, intellectual property law, mergers and acquisitions and arbitration law. He is a director of many other companies.

Mr. Vinod Paremam (Managing Director) (Executive Non-Independent Director)



Mr. Vinod Paremam has experience in Evonik at the Business Lines High Performance Polymers, Oil Additives, Care Solutions, Comfort and Insulation and at the Corporate Center. Mr. Vinod Paremam has previously led marketing, strategic projects, sales and production teams having worked in Germany,

Singapore, the UAE and the UK. Mr. Vinod Paremam joined Evonik as part of the PROOF program in 2011 following the completion of his MBA. Prior to that, he worked for five years at the National Aluminium Products Company (NAPCO) in Dubai following the completion of his engineering studies. Mr. Vinod Paremam assumed the role of head of Strategic Growth for the business line Oil Additives in Darmstadt in 2014, having responsibility for the strategic projects, business intelligence and marketing support teams. Mr. Vinod Paremam joined High Performance Polymers in Darmstadt in 2017 and developed with his team the project sales pipeline and new growth products for the Performance Foams business.

Mr. Vinod Paremam holds a Master's degree in Industrial Engineering from the University of Massachusetts – Amherst, USA and an MBA from INSEAD, France.

Mr. Christian Schlossnikl (Non-executive Non-Independent Director)



Mr. Christian Schlossnikl is Master of Business Administration (University of Krems), Postgraduate course of Business Administration and Law (Technical University of Vienna) and has done a course of Plastics Technology (Montanistic University of Leoben).

Mr. Christian Schlossnikl has approx. 34 years of versatile experience with expertise in production and engineering. He is serving Evonik since 2001 in various important roles and currently designated as Senior Vice President Production and Technology Silica at Evonik Operations GmbH. Before Evonik, he has served

various corporates with functional area including head of project for technological and market possibilities of new cellulosic products, global search for cooperation partners and technical director for production of Polyester films and sheets.

Mr. Gopalakrishnan A Iyer (Non-executive Non-Independent Director)



Mr. Gopalakrishnan A Iyer joined Evonik group as part of acquisition of global silica business of J M Huber Corporation, USA effective September 1, 2017. He has over 37 years of experience having led the Finance, Legal, IT, HR, Sales, Marketing, Projects and Production teams in

Chemicals and Pharmaceutical industry.

Mr. Gopal Iyer holds a Bachelor Degree in Commerce from the University of Bombay and is an Associate Member of The Institute of Chartered Accountants of India, The Institute of Cost Accountants of India and The Institute of Company Secretaries of India.

Ms. Sonia Prashar (Independent Non-Executive Director)



Ms. Sonia Prashar is Graduate in Science and Education from Delhi University. Also graduate in German Language from Goethe Institute and holder of MBA Essentials Certificate from LSE (London School of Economics and Political Science).

Ms. Prashar has more than 25 years of rich and versatile experience representing the Indo-German Chamber of Commerce at various national and international events. She plays a key role in promoting collaborations and constructive communication between Indian and German Companies. Developing effective partnership and successful networking channels for the access, sharing and dissemination of information with leading Indian and German Industry Associations as also Government Bodies. She is currently holding the position of Deputy Director General of Indo-German Chamber of Commerce.

Ms. Meng Tang (Non-executive Non-Independent Director)



Ms. Meng Tang is having a Degree in International MBA and General Management from Rotterdam School of Management, the Netherlands and Master of Biochemical Engineering from East China University of Science and Technology, China. She is also Bachelor of Science in Chemical

Engineering from Xi'an Jiaotong University, China.

Ms. Tang has approx. 24 years of rich experience in the field of product development, sales and marketing, strategy development, etc. at senior positions.

CORPORATE INFORMATION**BOARD OF DIRECTORS**

Mr. Dara Phirozeshaw Mehta - Chairman
 Mr. Vinod Paremal - Managing Director
 Mr. Christian Schlossnikl - Director
 Ms. Meng Tang - Director
 Ms. Sonia Prashar - Director
 Mr. Gopalakrishnan A Iyer* - Director
 (*Resigned as Director of the Company w.e.f. 1st July 2021)

COMPANY SECRETARY

Ms. Swati Surhatia

CHIEF FINANCIAL OFFICER

Ms. Shivangi Negi*
 (*Resigned as CFO of the Company w.e.f. 4th June 2021)

STATUTORY AUDITOR

M/s. Price Waterhouse & Co Chartered Accountants LLP
 Chartered Accountants,
 Building No. 8, 7th & 8th Floor,
 Tower B, DLF Cyber City,
 Gurgaon – 122002, Haryana, India

INTERNAL AUDITOR

Mr. Rajeev Agarwal
 Dy. General Manager-Controlling
 Insilco Limited

BANKERS

BNP Paribas
 State Bank of India
 Citybank N.A.

REGISTERED OFFICE & WORKS

A-5, UPSIDC Industrial Area,
 Bhartiagram, Gajraula - 244223,
 Uttar Pradesh
 Phone : (0) 98378 23893, 98379 23893
 Fax : (05924) 252348

REGISTRAR AND SHARE TRANSFER AGENT

M/s. MCS Share Transfer Agent Limited
 F-65, 1st Floor,
 Okhla Industrial Area,
 Phase-I, New Delhi-110020
 Phone : (011) 41406149/41406151/41406152
 Fax : (011) 41709881

Email : helpdeskdelhi@mcsregistrars.com

COMPANY'S WEBSITE

Visit Insilco at : www.insilcoindia.com

CONTENTS

Particulars	Page No.
Notice	04
Directors' Report	14
Corporate Governance Report	33
Management Discussion and Analysis Report	52
Independent Auditor's Report	56
Balance Sheet	62
Profit & Loss Account	64
Statement of changes in equity	65
Cash Flow Statement	66
Notes to Financial Statements	68

Updation of Bank Details & PAN and Dematerialization of physical shares

Dear Shareholders

In Continuation of our **letters dated 14th July 2018, 4th September 2018 and 24th October 2018 respectively** we would like to inform you that Securities and Exchange Board of India (SEBI) vide their Circular No. SEBI/HO/MIRSD/DOP1/CIR/2018/73 dated 20th April, 2018 has mandated all listed Companies to make payment of dividend to the shareholders through approved electronic mode and also directed that updated bank details and PAN of the Shareholders be obtained and maintained by the Companies.

Accordingly, you were requested earlier to send duly filled and signed form containing details such as Bank name, PAN, IFSC Code, MICR Code etc. as per format attached as **Annexure-I** to our registrar MCS Share Transfer Agent Limited. You were also requested to provide Email Id, Phone / Mobile No. for record as well as for sending any communication by electronic means in accordance with various circulars issued by the Ministry of Corporate Affairs, SEBI and Stock Exchange(s) from time to time.

If you have still not done so, we urge you to do the same immediately by providing your details to the Company or directly to the RTA.

Government from time to time has also been educating and encouraging for keeping the securities in Demat Form. In order to mandate the same the Securities and Exchange Board of India vide Notification No. SEBI/LAD-NRO/GN/2018/24 dated June 8, 2018 and further amendment vide Notification No. SEBI/LAD-NRO/GN/2018/49 dated November 30, 2018, **request for effecting transfer of securities** (except in case of transmission or transposition of securities) shall not be processed from April 1, 2019 **unless the securities are held in the dematerialised form with the depositories**. The same was also communicated to you earlier, however, the responses were not very encouraging.

We would like to inform you that the Company still has around 20,000 shareholders holding shares in physical form. We take the opportunity to inform that holding shares in demat format is beneficial to you people as it eliminates the risk of holding shares in physical format or paper based documents. All the benefits of corporate action like dividend, bonus, stock split, rights etc are managed through the depository leading to elimination of transit losses. Holding shares in demat form ensures immediate transfer and registration of securities.

As physical shares can no longer be traded in stock exchanges, therefore all the shareholders holding shares in physical form are advised to convert their shareholding from Physical form to Demat form with a Depository Participant of their choice in order to continue the benefit of liquidity of their shareholding.

The shareholders who continue to hold equity shares of the Company in physical form after 1st April 2019, will not be able to lodge the shares with company / its Registrar and Share Transfer Agent for further transfer. They will need to convert them to demat form compulsorily if they wish to effect any transfer. Only the requests for transmission and transposition of securities in physical form will be accepted by the listed companies / their RTAs.

In order to dematerialize your shares, please open a Demat Account with any of the Depository Participant and submit your physical share certificate(s) with them for dematerialization to avoid inconvenience at later stage.

Shareholders can visit the following links of Depositories viz. NSDL and CDSL for detailed procedure of dematerialization.

NSDL: <https://nsdl.co.in/services/demat.php>

CDSL: <https://www.cdslindia.com/Investors/open-demat.html>

An early action in the matter will save you from unnecessary hassle at a later date and also help the Company to serve you better.

Annexure I

BANK DETAILS, COPY OF PAN, EMAIL ID ETC. REGISTRATION FORM

To:
MCS Share Transfer Agent Ltd.
Unit: INSILCO LIMITED
F- 65, 1st Floor, Okhla Industrial Area,
Phase-1, New Delhi - 110020

Dear Sirs,

I give my consent to update the following details in the records of Insilco Limited for making payments of dividend and sending other communications by electronic means:

Folio No. : _____

Name of the First/Sole holder : _____

Name of the 1st Joint holder(s) : _____

Name of the 2nd Joint holder(s) : _____

Bank's Name : _____

Branch's Name & Address : _____

PAN : _____

Account No. : _____

Account Type (Saving/Current): _____

IFSC Code : _____

MICR Code: _____

Email Id : _____

Phone No.: _____

Date : _____

Signature of First/Sole Holder
(attested by Bank)

Enclose the following:

- (1) Original cancelled cheque leaf (with preprinted name) or Copy of pass book/bank statement attested by banker.
- (2) Signature of all shareholder(s) attested by banker.
- (3) Self attested Copy of PAN. In case of residence of Sikkim, the requirement of PAN Card be substituted with a valid Identity proof issued by Government.
- (4) Self attested Copy of Aadhar Card.

INSILCO LIMITED

(Under Voluntary Liquidation w.e.f. 25.06.2021)

Regd. Office & Works : A-5, UPSIDC Industrial Area, Bhartiagram, Gajraula - 244223, Uttar Pradesh
Phone : 09837823893, 09837923893, Fax : (05924) 252348
E-mail: insilco@evonik.com, Website: www.insilcoindia.com
CIN: L34102UP1988PLC010141

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 33rd Annual General Meeting (AGM) of the members of Insilco Limited will be held on Monday, the 2nd Day of August, 2021 at 02.30 p.m. through Video Conferencing/Other Audio Visual Means, to transact the following business: -

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2021 along with the Reports of the Board of Directors and Auditors thereon.
2. To consider and appoint a Director in place of Mr. Christian Schlossnikl (DIN: 07557639), who retires by rotation and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

3. Appointment of Mr. Vinod Paremal (DIN: 08803466) as a Director of the Company.

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 161 of the Companies Act, 2013, applicable provisions of Articles of Association of the Company and any other provisions as may be applicable for the time being in force, Mr. Vinod Paremal (DIN: 08803466), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 13th August, 2020 and appointed as Managing Director by the members in their Extra-Ordinary General Meeting held on June 25, 2021, however subject to the approval by the Central Government and who holds office upto the date of this meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, proposing the candidature of Mr. Vinod Paremal for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby severally authorised to take all such actions as may be considered necessary to give effect to the aforesaid Resolution."

4. **Re-appointment of Ms. Sonia Prashar (DIN: 06477222) as an Independent Director of the Company for a 2nd Term.**

To consider and if thought fit, to pass the following

Resolution with or without modification(s) as a **Special Resolution**:

"RESOLVED THAT Ms. Sonia Prashar (DIN: 06477222) who was appointed as an Independent Director by the Shareholders in the 28th Annual General Meeting (AGM) of the Company held in the year 2016 for a term of 5 consecutive years from 4th August 2016 to 3rd August 2021, who meets the criteria of Independence as provided under Section 149(6) of the Companies Act, 2013 and pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, who is eligible for re-appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 proposing her candidature for the office of Director and based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, be and is hereby re-appointed, in accordance with Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and the corresponding Rules framed thereunder, as an Independent Director to hold office for a 2nd term of 5 (Five) consecutive years with effect from 4th August 2021.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to take all such actions as may be considered necessary to give effect to the aforesaid resolution."

By Order of the Board

Sd/-

**Swati Surhatia
Company Secretary**

Place : New Delhi
Date : 05th July, 2021

NOTES:-

1. Given the unprecedented current environment caused by the COVID-19 outbreak, social distancing norms to be followed and the continuing restriction on movement of persons at several places in the country and pursuant to General Circular Nos.14/2020, 17/2020 and 20/2020 dated 8th April 2020, 13th April 2020 and 5th May 2020, respectively, and clarification circular No. 02/2021 dated January 13, 2021 issued by the Ministry of Corporate Affairs ("MCA Circulars") and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May 2020. The Securities and Exchange Board of India ('SEBI') also issued Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May 2020 the validity of which has been extended till December

31, 2021 by SEBI, vide its Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 ("SEBI Circulars"). In compliance with these Circulars, provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the 33rd AGM of the Company is being conducted through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), which does not require physical presence of members at a common venue. The deemed venue for the 33rd AGM shall be the Registered Office of the Company.

2. In terms of the MCA Circulars, since the physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by Members under Section 105 of the Act will not be available for the 33rd AGM. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the Members may be appointed for the purpose of voting through remote e-Voting, for participation in the 33rd AGM through Video Conferencing Facility and e-Voting during the 33rd AGM.
3. National Securities Depositories Limited ("NSDL") will be providing facility for voting through remote e-Voting, for participation in the 33rd AGM through VC/OAVM Facility and e-Voting during the 33rd AGM.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
5. In line with the MCA Circulars and SEBI Circular, the Notice of AGM along with Annual Report 2020-21 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories. Members may note that Notice and Annual Report 2020-21 has been uploaded on the website of the Company at www.insilcoindia.com. The Notice can also be accessed on the website of BSE Limited at www.bseindia.com and the AGM Notice is also available on the website of NSDL at www.evoting.nsdl.com (Agency for providing the Remote e-Voting facility).
6. Since the AGM will be held through VC/OAVM Facility, the Route Map is not annexed in this Notice.
7. The Members can join the AGM through the VC/OAVM mode 15 minutes before the time scheduled for the commencement of the Meeting and shall be closed after the expiry of 15 minutes of the scheduled time by following the procedure mentioned in the Notice. Members may note that the VC/OAVM Facility, provided by NSDL, allows participation of at least 1,000 Members on a first-come-first-served basis. The large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and

Remuneration Committee and Stakeholders' Relationship Committee, Auditors etc. will be allowed to attend the AGM without restriction on account of first come first served basis.

8. Voting through Electronic means

- I. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") and Regulation 44 of Listing Regulations read with MCA Circulars and SEBI Circulars, the Company is providing remote e-Voting facility to its Members in respect of the business to be transacted at the 33rd AGM and facility for those Members participating in the 33rd AGM to cast vote through e-Voting system during the 33rd AGM.

II. Instructions for Members for Remote e-Voting are as under:-

- i. The remote e-Voting period will commence on 30th July, 2021 (9:00 AM IST) and end on 1st August, 2021 (5:00 pm IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 26th July, 2021 may cast their vote by remote e-Voting. The remote e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
- ii. A person who is not a Member as on the cut-off date should treat this Notice of 33rd AGM for information purpose only.
- iii. The details of the process and manner for remote e-Voting are explained herein below:

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

Step 1: Access to NSDL e-Voting system

a) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their Mobile number and Email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> 1. If you are already registered for NSDL IDEAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under "IDEAS" section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be re-directed to NSDL e-Voting website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If the user is not registered for IDEAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDEAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on options available against company name or e-Voting service provider - NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> 1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of E-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on options available against company name or e-Voting service provider-NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

b) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon
4. Your User ID details are given below :

Manner of holding shares i.e. Demat(NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
 - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
 - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
 - c) How to retrieve your 'initial password'?
 - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is

"Login" which is available under 'Shareholder/Member' section.

3. A new screen will open. You will have to enter your User ID, your Password/ OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

- (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered

6. If you are unable to retrieve or have not

- received the "Initial password" or have forgotten your password:
- a) Click on "**Forgot User Details/ Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.
 - b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.
 - c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
 - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
 8. Now, you will have to click on "Login" button.
 9. After you click on the "Login" button, Home page of e-Voting will open.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

9. Process for those Members whose email ids are not registered with the depositories for procuring user id and password and registration of email ids for e-Voting on the resolutions set out in this Notice:

- I. Those Members, who hold shares in physical form or who have not registered their email address with the Company and who wish to participate in the AGM or cast their vote through remote e-Voting or through the e-Voting system during the meeting, may obtain the login ID and password by sending: i) scanned copy of the share certificate (front and back) ii) a signed request letter mentioning your name, folio number and complete address; and iii) self attested scanned copy of the PAN Card and AADHAR (self attested scanned copy of Aadhar Card) at email address of the Company insilco@evonik.com.
- II. In case shares are held in demat mode, Members may obtain the login ID and password by sending scanned copy of (i) a signed request letter mentioning your name, DP ID-Client ID (16 digit DP ID + Client ID or 16 digit beneficiary ID); (ii) self attested scanned copy of client master or Consolidated Demat Account and (iii) self attested scanned copy of the PAN Card and AADHAR (self attested scanned copy of Aadhar Card), to the email address of the Company insilco@evonik.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 () i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.**
- III. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.
- IV. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

10. Instructions for Members for participating in the 33rd AGM through VC/OAVM are as under:

- I. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login,

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under **Join General Meeting** menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

- II. Members are encouraged to join the Meeting through Laptops for better experience.
- III. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- IV. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- V. **Members can submit questions in advance with regard to the financial statements or any other matter to be placed at the 33rd AGM, from their registered email address, mentioning their name, DP ID and Client ID number/folio number and mobile number, to reach the Company's email address at insilco@evonik.com at least 48 hours in advance before the start of the meeting. Such questions by the Members shall be taken up during the meeting and replied by the Company suitably.**
- VI. Members, who would like to express their views or ask questions during the AGM need to register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID number/folio number and mobile number, to reach the Company's email address insilco@evonik.com at least 48 hours in advance before the start of the 33rd AGM i.e. by 31st July 2021 by 02:30 p.m. IST. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.
- VII. Institutional Investors who are Members of the Company, are encouraged to attend and vote in the 33rd AGM through VC/OAVM Facility.

11. THE INSTRUCTIONS FOR MEMBERS FOR e-VOTING ON THE DAY OF THE AGM ARE AS UNDER:-

- I. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-Voting.

- II. Only those Members, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
- III. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- IV. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

12. OTHER GUIDELINES FOR MEMBERS

- I. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. mentioning the duly authorised signatory(ies), who are authorized to vote, to the Scrutinizer by e-mail to csajay01@gmail.com with a copy marked to evoting@nsdl.co.in.
- II. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.
- III. The voting rights of Members shall be in proportion to their share in the paid up equity share capital of the Company as on the cut-off date of 26th July, 2021.
- IV. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is send through e-mail and holding shares as of the cut-off date i.e. 26th July, 2021 may obtain the login ID and password by sending a request at evoting@nsdl.co.in. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/ Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call on toll free no. 1800 1020 990 and 1800 22 44 30 . In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may follow steps mentioned in the Notice of the AGM under "Access to NSDL e-Voting system."
- V. In case of any queries, you may refer the

Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nSDL.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Ms. Pallavi Mhatre, Manager - NSDL at evoting@nSDL.co.in.

- VI. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting or casting vote through e-Voting system during the meeting.
- VII. Mr. Ajay Kumar Prajapati, Proprietor of M/s APK & Associates, Practicing Company Secretary, has been appointed as the Scrutinizer to scrutinize the remote e-Voting process and casting vote through the e-Voting system during the meeting in a fair and transparent manner.
- VIII. The Scrutinizer shall after the conclusion of e-Voting at the 33rd AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-Voting and shall make a consolidated scrutinizer's report of the total votes cast in favour or against, invalid votes, if any, and whether the resolution has been carried or not, and such Report shall then be sent to the Chairman or a person authorized by him, within two working days from the conclusion of the 33rd AGM, who shall then countersign and declare the result of the voting forthwith.
- IX. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company at www.insilcoindia.com and on the website of NSDL at www.evoting.nSDL.com immediately after the declaration of Results by the Chairman or a person authorized by him. The Company shall also simultaneously forward the results to the Bombay Stock Exchange where the equity shares of the Company are listed.
13. Pursuant to the MCA Circulars and SEBI Circular, in view of the prevailing situation, owing to the difficulties involved in dispatching of physical copies of the Notice of the 33rd AGM and the Annual Report including therein the Audited Financial Statements, are being sent only by email to the Members. Therefore, those Members, whose email address is not registered with the Company or with their respective Depository Participant/s, and who wish to receive the Notice of the 33rd AGM and the Annual Report and all other communication sent by the Company, from time to time, can get their email address registered by following the steps as given below:-
 - I. For Members holding shares in physical form, please send scan copy of a signed request letter mentioning your name, folio number, complete address, email address to be registered along with scanned self attested copy of the PAN and self attested copy of any document (such as Driving Licence, Passport, Bank Statement, AADHAR) supporting the registered address of the Member, by email to the Company's email address insilco@evonik.com.
 - II. For the Members holding shares in demat form, please update your email address through your respective Depository Participant/s.
 - III. If there is any change in the e-mail ID already registered with the Company / RTA, Members are requested to immediately notify such change to the Company at Company's email address insilco@evonik.com in respect of shares held in physical form and to DPs in respect of shares held in electronic form.
14. The Register of Members and Share Transfer books of the Company will remain closed for a period of 7 days from 27th July, 2021 to 2nd August, 2021 (both days inclusive) in terms of Section 91 of the Companies Act, 2013.
15. During the 33rd AGM, Members may access the scanned copy of Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act, upon Log-in to NSDL e-Voting system at <https://www.evoting.nSDL.com>.
16. Under the provisions of Section 72 of the Companies Act, 2013, shareholder(s) is/are entitled to nominate in the prescribed manner, a person to whom his/her/their shares in the Company, shall vest in the event of his/her/their death. Members who are holding shares in physical form and are interested in availing this nomination facility are requested to write to the Company.
17. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified from time to time.
18. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
19. In terms of the Listing Regulations, securities of listed companies can only be transferred in dematerialized form with effect from 1st April 2019. In view of the above, Members are advised to dematerialize shares held by them in physical form.

20. The Explanatory Statement setting out the material facts pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Business under Item nos. 3, 4 and 5 set above and the details as required under sub-regulation (3) of Regulation 36 of the Listing Regulations and Secretarial Standard on General Meeting (SS-2) of ICSI, in respect of the Director seeking appointment/re-appointment at the 33rd AGM, forms integral part of the Notice of the 33rd AGM.

EXPLANATORY STATEMENT

(Pursuant to Section 102(1) of the Companies Act, 2013)

Item No. 3:

The Board, based on the recommendation of the Nomination and Remuneration Committee, appointed Mr. Vinod Paremal (DIN: 08803466) as an Additional Director with effect from August 13, 2020. Further, Members in their Extra-Ordinary General Meeting held on June 25, 2021, based on recommendation of the Board also appointed Mr. Vinod as the Managing Director for a term of 2 (two) years with effect from May 1, 2021 at nil remuneration. The appointment of Mr. Paremal as the Managing Director of the Company, however, is also subject to post-facto approval of the Central Government in accordance with Section 196(4) of the Companies Act read with Schedule V as Mr. Paremal does not qualify as a "resident of India" as per meaning provided in Schedule V of the Companies Act.

In terms of Section 161 of the Companies Act, 2013, Mr. Vinod Paremal will hold office as an Additional Director upto the date of this AGM. The Company has received a notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Vinod Paremal for the office of Director of the Company.

Mr. Paremal holds a Master's degree in Industrial Engineering from the University of Massachusetts - Amherst, USA and an MBA from INSEAD, France.

Mr. Paremal is currently the Managing Director of Evonik India Private Limited which is a part of the Evonik Group in India and his appointment as the Managing Director of the Company has been approved unanimously by the Board of the Company as required under the second proviso to Section 203(3) of the Companies Act and in the Extra-ordinary General Meeting dated 25th June, 2021. In addition to the Company, Mr. Paremal is a non-executive director of (a) Evonik Catalysts India Private Limited, (b) Evonik Specialty Silica India Private Limited and (c) Evonik Bangladesh Ltd.

A brief profile of Mr. Paremal and other requisite details, pursuant to the provisions of the Secretarial Standard on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India and Regulation 36 of the LODR Regulations are attached as **Annexure 'A'** to this statement.

The draft terms and conditions of appointment of Mr. Paremal as Director shall be available for inspection by sending request at Company's email address insilco@evonik.com.

The Board recommends the resolution for approval of the shareholders as Ordinary resolution.

Except Mr. Vinod Paremal, no other Director(s) or Key Managerial Personnel of the Company or their relatives is concerned or interested, financial or otherwise, in the Resolution set out at Item No. 3.

Item No. 4:

Ms. Sonia Prashar was appointed as an Independent Director in the 28th Annual General Meeting held in the year 2016 to hold office for a period of 5 (Five) consecutive years effective from 4th August 2016 i.e. until 3rd August, 2021. She is due for retirement from the first term as an independent director on 3rd August 2021 Under Section 149 of the Companies Act, 2013 (the 'Act'), an Independent Director is eligible for reappointment subject to the passing of a Special Resolution. Ms. Sonia Prashar, being eligible and offering herself for reappointment, is proposed to be appointed as an Independent Director for a 2nd term of 5 (Five) years with effect from 4th August, 2021. The Company has received a notice proposing her candidature under Section 160 of the Act.

In the opinion of the Board, Ms. Sonia Prashar fulfils the conditions specified in the Act and the Rules made thereunder for her reappointment as an Independent Director of the Company and is independent of the management. As per the performance evaluation conducted during her 1st term by the Board (excluding Ms. Sonia Prashar), her performance was satisfactory as an Independent Director of the Company. She has further confirmed that she has registered herself in the database for Independent Directors. The Board and its allied Committees have benefitted from his knowledge, specialization and expertise. Details on her attendance at various Board and Committee Meetings held during the last financial year are included in the Corporate Governance Report of the Annual Report.

A copy of the letter proposing the reappointment of Ms. Sonia Prashar as an Independent Director setting out the terms and conditions of her appointment is available for inspection by Members on the website of the Company at <https://www.insilcoindia.com>.

The Board believes that the Company will continue to be benefitted from Ms. Sonia Prashar immense experience and expertise in various areas. The Board of Directors of your Company recommends the Resolution in relation to the reappointment of Ms. Sonia Prashar, as an Independent Director, for approval by the shareholders of the Company as a Special Resolution.

Except Ms. Sonia Prashar, no other Director(s) or Key Managerial Personnel of the Company or their relatives is concerned or interested, financial or otherwise, in the Resolution set out at Item No. 4.

A brief profile of Ms. Sonia Prashar and other requisite details, pursuant to the provisions of the Secretarial Standard on General Meetings ("SS-2") issued by the Institute of Company Secretaries of India and Regulation 36 of the LODR Regulations are attached as **Annexure 'A'** to this statement.

Annexure - A

DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AS REQUIRED UNDER REGULATION 36 OF THE LISTING REGULATIONS:**Name of the Director: Mr. Christian Schlossniki**

Date of Birth	23rd March 1961
Date of First Appointment on the Board	4th August 2016
Qualifications	Master of Business Administration (University of Krems), Postgraduate course of Business Administration and Law (Technical University of Vienna) and Course on Plastics Technology (Montanistic University of Leoben).
Expertise in specific functional area	Approx. 34 years of versatile experience with expertise in production and engineering. He is serving Evonik since 2001 in various important roles and currently designated as Senior Vice President Production and Technology Silica at Evonik Operations GmbH. Before Evonik, he has served various corporates with functional area including Head of project for technological and market possibilities of new cellulose products, global search for cooperation partners and Technical Director for Production of Polyester films and sheets.
Directorships in other listed companies	NIL
Memberships / Chairmanships of Committees in other listed Companies	NIL
Memberships / Chairmanships of Committees in the Company	Member- Nomination and Remuneration Committee
Shareholding, if any, in the Company	NIL
Disclosure of relationship between Directors inter-se	Not related to any director of the Company

Name of the Director: Mr. Vinod Paremal

Date of Birth	28th April 1979
Date of First Appointment on the Board	13th August 2020
Qualifications	Master's degree in Industrial Engineering from the University of Massachusetts - Amherst, USA and an MBA from INSEAD, France.
Expertise in specific functional area	Management
Directorships in other listed companies	NIL
Memberships / Chairmanships of Committees in other listed Companies	NIL
Memberships / Chairmanships of Committees in the Company	Member-Audit Committee Member-Stakeholders' Relationship Committee
Shareholding, if any, in the Company	NIL
Disclosure of relationship between Directors inter-se	Not related to any director of the Company

Name of the Director: Ms. Sonia Prashar (DIN: 06477222)

Date of Birth	21st September 1972
Date of First Appointment on the Board	4th August 2016
Qualifications	Graduate in Science and Education from Delhi University. Also, a Graduate in German Language from Goethe Institute and holder of MBA Essentials Certificate from LSE (London School of Economics and Political Science)
Expertise in specific functional area	Ms. Prashar has more than 25 years of rich and versatile experience representing the Indo-German Chamber of Commerce at various national and international events. She plays a key role in promoting collaborations and constructive communication between Indian and German Companies. Developing effective partnership and successful networking channels for the access, sharing and dissemination of information with leading Indian and German Industry Associations as also Government Bodies. She is currently holding the position of Deputy Director General of Indo-German Chamber of Commerce.
Directorships in other listed companies	NIL
Memberships / Chairmanships of Committees in other listed Companies	NIL
Memberships / Chairmanships of Committees in the Company	Member - Audit Committee Chairperson - Nomination and Remuneration Committee Member - Share Transfer Committee
Shareholding, if any, in the Company	NIL
Disclosure of relationship between Directors inter-se	Not related to any director of the Company

By the order of the Board

Sd/-

Swati Surhatia
Company SecretaryPlace : New Delhi
Date : 05th July, 2021

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 33rd Annual Report together with the Audited Accounts for the Financial Year ended March 31, 2021.

1. THE STATE OF THE COMPANY'S AFFAIRS

A. Financial Highlights

The summarized results for the year, rounded off to Rupees in millions, are given below:

Particulars	Year Ended 31.03.2021	Year Ended 31.03.2020
Gross Turnover	-	577.47
Less: Excise duty	-	-
Turnover (net of excise duty)	-	577.47
Other Income	47.11	53.51
Total Expenditure (excluding excise duty)	(603.50)	(705.48)
Profit/(Loss) before Depreciation & Exceptional Items	(556.39)	(74.50)
Depreciation	(20.04)	(28.28)
Profit/(Loss) for the year before exceptional items	(576.43)	(102.78)
Exceptional items	-	-
Profit/(Loss) before tax	(576.43)	(102.78)
(Provision for)/Release of Taxation	(0.76)	(1.95)
Profit/(Loss) after tax	(577.19)	(104.73)
Other comprehensive income/(loss)	5.65	(2.86)
Total comprehensive income/(loss) for the year	(571.54)	(107.59)

B. Results of Operations

As you would be aware, the plant operations of your company continues to be suspended since October 26, 2019 due to refusal of "Consent to Operate" by Uttar Pradesh Pollution Control Board (UPPCB) vide its orders dated October 22, 2019. The Company filed Fresh Applications by applications of even date dated November 21, 2019, for Consent to Operate, however, the same were dismissed by the UPPCB vide order dated February 4, 2020. The Company has challenged the aforesaid orders by separate appeals under Section 28 of the Water (Prevention & Control of Pollution) Act, 1974 and Section 31 of the Air (Prevention & Control of Pollution) Act, 1981 respectively before the Special Secretary, Department of Environment, Forest and Climate, Uttar Pradesh against the orders of UPPCB. The hearing on the matter faced delays due to nationwide lockdown and consequent restrictions announced by the Government of India and the shift in government priority to handle the COVID-19 Pandemic coupled with the non-availability of the Special Secretary, who has been deputed by the state government on an alternate COVID-19 role.

After much delay the matter was finally heard and the Special Secretary vide its order dated December 4, 2020, dismissed the appeals filed by the Company and stated that, "the Appellant has the option of presenting its proposal to the Hon'ble Tribunal through the Joint Committee,

following the recommendations of the Joint Committee in compliance with the order of the Hon'ble National Green Tribunal. The above orders have been issued in compliance with the order of the Hon'ble National Green Tribunal."

The Board of your Company after due consideration unanimously agreed not to pursue the matter any further due to reasons as mentioned under (6) below.

Despite suspension of operations of the Company, the employees were regularly paid their full salaries. However, in view of the situation, subsequent to the order of the Special Secretary, the Company offered a Voluntary Retirement Scheme in December, 2020, which not seen favourable by the employees, and thereafter offered another Voluntary Retirement Scheme in January, 2021 ("VRS 2021") to its employees to mitigate the expenses and conserve cash. The VRS 2021 was accepted by 82 employees constituting around 80% of the Company's total employee strength. The Company had retained services of a minimum number of employees for conducting the bare minimum requirement of maintaining the assets and undertaking statutory compliances, as required.

As reported last year, your company lost all its customer base subsequent to suspension of plant operations since 26th October 2019.

Sales of Precipitated Silica during the year were Nil (previous year 9,391 MT). The Production

during the year was Nil (previous year 8,314 MT).

Your Company achieved a sales turnover of Rs. Nil during the year as compared to Rs. 577 million in the previous year. The Company recorded a loss before depreciation and exceptional items of Rs. 556.39 million as compared to loss before depreciation and exceptional items of Rs. 74.50 million in the previous Financial Year. The Company had reserves of Rs. 215 Million as on 1st April 2020. The total comprehensive loss for the Financial Year 2020-21 was Rs. 572 Million.

C. Future Outlook

As reported last year, your company lost all its customer base subsequent to suspension of plant operations since 26th October 2019. The relocation of the manufacturing facility to another site is not financially viable, given the cost of relocation and intense competition in the market place.

Due to the long suspension of the operations of the Company and the no possibility of resuming normal operations in the foreseeable future, the Company had ceased to be a going concern. The unaudited financial results for the quarter ending December 31, 2020 approved by the Audit Committee and subjected to limited review by the statutory auditors of the Company had been prepared on the basis that the Company was not a going concern. The Promoter shareholders had informed the Company that they were not willing to make any further investment into the Company for this purpose, and there were no other sources of funds for the same.

The Board of your Company looked at the situation in detail and took note that there was no availability of business prospects nor any long-term financial resources that presents a financially viable alternative to carry on the business activities of the Company or to resume the operations of the Company in the foreseeable future.

Considering the limited resources of your Company and other complications associated with the current pandemic situation, it appears that the option of sale of assets (which includes land, building, plant & machinery) might not be possible to achieve in a short time. In the light of all the above, it appears that voluntary liquidation of the Company could be considered the best way forward to realise the assets of the Company in quick and efficient manner and distribute the proceeds thereof to the shareholders of the Company. The Board has therefore decided to lay the proposal for Voluntary liquidation to the members for its approval also approved the appointment of Ernst & Young LLP to provide support to Insilco Limited in the Winding Down and Voluntary Liquidation of the Company.

2. TRANSFER TO RESERVES

The Company had reserves of Rs. 215 Million as on 1st April 2020. The total comprehensive loss for the Financial Year 2020-21 was Rs. 572 Million. Therefore, the closing balance of the Reserves and Surplus as on 31st March 2021 amounted to Rs. (357) Million.

3. DIVIDEND

No dividend is recommended considering the operational performance of the Company.

4. OPERATIONS AT PLANT

The operations of the plant of your Company at Gajraula continue to remain suspended as on the date of this report due to the reasons as mentioned.

5. STATEMENT ON RISK MANAGEMENT POLICY

The operations of the Company have been suspended with effect from October 26, 2019, on account of refusal of consent to Operate from the Uttar Pradesh Pollution Control Board and the Appeal preferred to the Appellate Authority has also been rejected. Accordingly, risks pertaining to the efficiency of plant operations, plant costs and market share are no longer applicable.

The Risk Management Policy, is available on the website of the Company at the following path: <https://www.insilcoindia.com/Pdf/Risk%20Management%20Policy.pdf>

6. (A) UPDATE ON GANGA CLEANING MATTER & REFUSAL OF CONSENT TO OPERATE BY UPPCB

As you would be aware, the plant operations of your company since October 26, 2019 due to refusal of "Consent to Operate" by Uttar Pradesh Pollution Control Board (UPPCB) vide its orders dated October 22, 2019. The Company filed Fresh Applications by applications of even date dated November 21, 2019, for Consent to Operate, however, the same were dismissed by the UPPCB vide order dated February 4, 2020. The Company has challenged the aforesaid orders by separate appeals under Section 28 of the Water (Prevention & Control of Pollution) Act, 1974 and Section 31 of the Air (Prevention & Control of Pollution) Act, 1981 respectively before the Special Secretary, Department of Environment, Forest and Climate, Uttar Pradesh against the orders of UPPCB. The hearing on the matter faced delays due to nation-wide lockdown and consequent restrictions announced by the Government of India and the shift in government priority to handle the COVID-19 Pandemic coupled with the non-availability of the Special Secretary, who has been deputed by the state government on an alternate COVID-19 role.

After much delay the matter was finally heard and the Special Secretary vide its order dated

December 4, 2020, dismissed the appeals filed by the Company and stated that, “*the Appellant has the option of presenting its proposal to the Hon’ble Tribunal through the Joint Committee, following the recommendations of the Joint Committee in compliance with the order of the Hon’ble National Green Tribunal. The above orders have been issued in compliance with the order of the Hon’ble National Green Tribunal.*”

The Board deliberated on the matter and also considered that the Company required to draw ground water to carry out its normal manufacturing activity (as and when permitted). Such abstraction of ground water was permissible only after a no objection certificate (“NOC”) was issued by the Ground Water Authority and the earlier NOC issued by the Ground Water Authority for such extraction had expired on December 2019.

The Company had sought legal advice and understood that:

- a. The probability of a successful appeal to the National Green Tribunal (“NGT”) was very bleak, based on review of similar cases decided in the past.
- b. Assuming that the matter could be finally decreed in favour of the Company, an appeal might be made to the Supreme Court – time taken for the processing the appeal might be around 2 years.
- c. Assuming further that the Company becomes successful in its appeal, it would require a NOC by the Ground Water Authority – which could entail its own challenges given that the Gajraula site area is classified as an “over exploited area”.

The Board, after due deliberations and considering the recommendations of the Audit Committee, unanimously agreed not to pursue the appeal with the National Green Tribunal any further.

(B) WRIT PETITION FILED BEFORE THE HON’BLE HIGH COURT OF JUDICATURE AT ALLAHABAD

The members are hereby informed that a Writ Petition being WP(C) No. 9669 of 2021 has been filed before the Hon’ble High Court of Judicature at Allahabad on March 1, 2021. The said Writ Petition has been preferred by the Company for quashing / setting aside Letter No. 489 dated July 1, 2020, Letter No. 940 dated July 24, 2020 and Letter No. 1865 dated December 22, 2020 (together called the Impugned Letters) issued by the Uttar Pradesh State Industrial Development Authority (UPSIDA / Authority) wherein UPSIDA, inter alia has imposed the following conditions for issuing the No Objection Certificate (NOC) for the purpose of establishment of a propane-

mounted installation of 2 x 72 cubic metres water capacity (LPG Project) at the Company’s factory at Gajraula:

- (i) Demand for a transfer levy of INR 8,09,00,103.70/- (Rupees Eight Crores Nine Lacs One Hundred and Three and Seventy Paiza Only) due to change in the shareholding pattern in the Company (**Transfer Levy**).
- (ii) Maintenance Charges up to May 29, 2020 amounting to INR 60,28,397.65/- (Rupees Sixty Lacs Twenty-Eight Thousand Three Hundred and Ninety-Seven and Sixty-Five Paiza Only) with interest of INR 8,895.15/- (Rupees Eight Thousand Eight Hundred and Ninety-Five and Fifteen Paiza Only) (**Maintenance Charges**).
- (iii) Lease rent up-to March 31, 2021 of INR 10,097/- (Rupees Ten Thousand and Ninety-Seven Only) plus 18% GST of INR 1,817.50/- (Rupees One-Thousand Eight Hundred and Seventeen and Fifty Paiza Only) (**Lease Rent**).

The aforesaid Letters also imposed certain new terms and conditions on the Company, which *inter alia* include:

- (i) Execution of a fresh lease deed with UPSIDC. Fresh lease deed will entail additional liability towards stamp duty & registration charges on the Company.
- (ii) Revision of lease rent for the next 60 (Sixty) years i.e. INR 6,82,223.05 per annum for the first 30 remaining years and then INR 13,64,445 for the balance 30 years.
- (iii) Restriction on the Company from transferring controlling interest for a period of 5 (Five) years from July 1, 2020.

The said Writ Petition was listed before the Hon’ble Court on March 18, 2021 wherein UPSIDA has been granted 6 (Six) weeks-time to file its counter affidavit and the next date of hearing is in the week commencing May 24, 2021.

7. DIRECTORS’ RESPONSIBILITY STATEMENT

The Directors’ state that;

- (a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with a 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 and of the profit and loss of the Company for that period;
- (c) the directors had taken proper and sufficient care

for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- (d) In view of matter described in note 33 of Financial statements, the Board of Directors are of the view that there are no realistic alternatives for resumption of the Company's operations and accordingly, use of the going concern basis of accounting in the preparation of the financial statements is considered inappropriate and the financial statements for the year ended March 31, 2021 have not been prepared on a going concern. The Company's management has assessed carrying value of assets and liabilities and based on current estimates adjustments have been made in the books of account year ended March 31, 2021 (refer note 36 of financial statements). A detailed explanation is given in clause no 1(C) of the Director's Report under the heading "Future Outlook".
- (e) the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) the directors had devised proper systems to ensure compliances with the provisions of all applicable laws and that such systems were adequate and operating effectively.

8. EXPLANATION OR COMMENTS BY THE BOARD ON QUALIFICATIONS, RESERVATIONS, ADVERSE REMARKS OR DISCLAIMERS MADE BY STATUTORY AUDITOR AND SECRETARIAL AUDITOR IN THEIR RESPECTIVE REPORTS

The Statutory Auditors in their reports on financial statements and internal financial controls for the financial year 2020-21 have given qualified opinion and the response of your directors with respect to it is as follows:

The matters mentioned in 3, 4 of the said Auditors Report, and in paragraph 8 and 10 of the Report on the Internal Financial Controls with reference to financial statements in Annexure A to the Auditors Report, have been explained in detail in clause no. 1(C) of the Directors' report under the heading "Future outlook", clause no. 6(A) and 6(B) of Directors' report under the heading "Update on ganga cleaning matter & refusal of consent to operate by UPPCB" and "Writ Petition Filed Before The Hon'ble High Court Of Judicature At Allahabad" respectively, clause no. 31 of Directors' report under the heading "Material orders by governing authorities", note no. 33 note no. 35 and note no. 36 of the financial statements.

There was no fraud reported by the Auditor to the Audit Committee or to the Board pursuant to Section 143(12) of the Companies Act, 2013.

The report of Secretarial Auditor does not contain any

qualifications, reservations, adverse remarks or disclaimers except an observation with regard to composition of Board caused due to the resignation of Mr. Brijesh Arora, Managing Director w.e.f. 10th December, 2020 and the vacancy caused due to his resignation was yet to be filled till closure of the financial year ending on 31.03.2021.

Your Company, at its meeting held on April 30, 2021 appointed Mr. Paremal Narayanan Vinod as Managing Director with effect from May 1, 2021. Mr. Paremal is currently on the Board of your Company and has agreed to a nil remuneration from the Company. Mr. Paremal is also the Managing Director of Evonik India Private Limited. The said appointment of Mr. Paremal is subject to the approval of the members and such other statutory approvals that may be required in this connection.

9. ANNUAL RETURN

The Annual Return as required under Section 92 and Section 134 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is available on the Company's website at the following link: www.insilcoindia.com www.insilcoindia.com —> Investors —> Annual Return. Investors are requested to please refer the same.

Also, an extract of the Annual Return in Form MGT-9 is attached (Annexure – 1) as a part of this report.

10. NUMBER AND DATES OF MEETINGS OF THE BOARD AND ATTENDANCE OF THE DIRECTORS

The Board duly met 10 times in the Financial Year 2020-21 on 12th May 2020, 23rd June, 2020, 13th August, 2020, 15th October, 2020, 2nd November, 2020, 10th December, 2020, 22nd January, 2021, 10th February, 2021, 24th March, 2021 and 30th March, 2021. The attendance of the Directors in the Board meetings is given in clause no. 2.3(C) of Corporate Governance Report.

11. COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION INCLUDING CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES, INDEPENDENCE OF DIRECTORS ETC.

Pursuant to Section 178(1) of the Companies Act, 2013 and Regulation 19 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "Listing Regulations"), the Board of Directors has constituted a Nomination and Remuneration Committee. A Nomination and Remuneration Policy of the Company has also been laid down and approved by the Nomination and Remuneration Committee and the Board. The said policy lays down the criteria for the appointment of Directors, Key Managerial Personnel and Senior Management Personnel. The said policy also specifies the remuneration criteria for Director, Senior Management Personnel and other

employees including criteria for determining qualification, term/tenure, positive attributes, independence of Directors, criteria for performance evaluation of Executive and Non-executive Directors (including Independent Directors), removal, policy on Board diversity, Directors' and Officers' Insurance and other matters as prescribed under the provisions of the Companies Act, 2013 and the Listing Regulations.

Pursuant to Section 178(4) of the Companies Act, 2013, the said nomination and remuneration policy of the Company is available on the website of the Company at the following link: <http://www.insilcoindia.com> → Investors → Policies → Nomination and Remuneration Policy.

12. SECRETARIAL AUDIT

As required under Section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, M/s APK & Associates, Practicing Company Secretaries having its address at 53-A, Shyam Vihar-II, Goyla Road, Najafgarh, New Delhi-110043 has conducted the Secretarial Audit of the Company for the Financial Year 2020-21. The Secretarial Audit Report issued by the said firm is attached to this report as Annexure-2.

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

During the year under review, the Company had not entered into any transaction of loan, guarantee or investment under Section 186 of the Companies Act, 2013.

14. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

During the financial year, the Company has entered into various transactions with related parties. All the related party transactions entered during the Financial Year 2020-21 were in ordinary course of the business and were on an arm's length basis. In terms of the Act, no material related party transactions were entered during the Financial Year by the Company. All related party transactions are placed before the Audit Committee for review and approval. The quarterly disclosures of transactions with related parties are made to the Audit Committee for its review. As required under the Companies Act, 2013 and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Audit Committee has granted Omnibus approval for appropriate related party transactions in accordance with the criteria laid down for the purpose. The disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC 2 is not applicable on the Company for the financial year under review. Members may refer to

Note no. 25 to the financial statement which sets out related party disclosures for the financial year ended 31st March 2021.

Pursuant to the provisions of the Companies Act, 2013 and Regulation 23 of the Listing Regulations, the Board has laid down a policy on dealing with related party transactions and the same is available on the website of the Company at the following link: <http://www.insilcoindia.com> → Investors → Policies → Related Party Transaction Policy.

15. MATERIAL CHANGES AND COMMITMENTS AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF REPORT

There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this report.

16. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

A. Conservation of Energy

Since the operations of the Company have been suspended with effect from October 26, 2019, on account of refusal of Consent to Operate from the Uttar Pradesh Pollution Control Board and the Appeal preferred to the Appellate Authority has also been rejected, **all projects pertaining to energy conservation have also been suspended including the "Propane-LPG" project to reduce energy cost which was envisaged to act as an alternate to High Speed Diesel (HSD) in the manufacturing process.**

B. Technology Absorption

1. The effort made towards technology absorption

The technology for manufacture of various grades of Precipitated Silica has been supplied by the parent Company, Evonik Operations GmbH (formerly known as Evonik Degussa GmbH), Germany.

2. Benefits derived from the above efforts

Focus on value added products, technical support to customers, optimum utilization of resources for production and higher yield.

3. Technology imported during the last three years

The Company has not imported any technology during the last three years reckoned from the beginning of the Financial Year.

4. Expenditure on Research and Development

The Company has not incurred any expenditure on Research and Development.

C. Foreign Exchange earnings and outgo

The Foreign Exchange earnings in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows were as follows:

(Rs. in '000)

Total Foreign Exchange used and earned	Year ended 31 st March 2021	Year ended 31 st March 2020
a) Total Foreign Exchange earned	-	36,591
b) Total Foreign Exchange used	5,854	11,875

17. POLICY ON PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

The Board of Directors of the Company has laid down a policy on prevention of sexual harassment at the workplace. An Internal Complaints Committee has also been formed by the Board of Directors to look into the complaints received, if any. During the year under review, the Company did not receive any complaint under the said policy. The said policy is available on the website of the Company at the following link: <http://www.insilcoindia.com> → Investors → Policies → Prevention of Sexual Harassment Policy. The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

18. IMPACT of COVID-19 on Financials

Due to COVID-19 pandemic there is no major impact on the business of the Company as our plant operations had already been suspended since October 26, 2019 due to refusal of Consent to operate by UP Pollution Control Board (UPPCB). The Company does not have any outstanding debt or other financing agreements. The Company have adequate digitized systems which ensured us to have smooth internal financial reporting and control in this situation.

19. CORPORATE SOCIAL RESPONSIBILITY (CSR) OF THE COMPANY

The Company is not covered under the provisions of CSR i.e. Section 135 of the Companies Act, 2013 and accordingly not required to comply with the requirements of Section 135 of the Companies Act, 2013.

20. WHISTLE BLOWER POLICY

Pursuant to the provisions of Section 177(10) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations, the Company has established a "Whistle Blower Policy" for employees to report to the management instances of unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The said mechanism is available to all the employees of the Company and is operating effectively. This Policy outlines the procedures for reporting, handling, investigating and

deciding on the course of action to be taken in case inappropriate conduct is noticed or suspected.

This Policy also provides for adequate safeguards against victimization of director(s)/employee(s) who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee in exceptional cases. During the year, the Company has not received any complaint through such mechanism. A copy of the said policy is available on the website of the Company at the following path: <http://www.insilcoindia.com> → Investors → Policies → Whistle Blower Policy.

21. STATEMENT ON ANNUAL EVALUATION OF THE BOARD, COMMITTEES AND INDIVIDUAL DIRECTORS

The Board has laid down the manner and criteria of evaluation of the Board of its own, Committees and Individual Directors in which annual evaluation of the Board, Committees of the Board and Individual Directors would be evaluated. The evaluation includes various criteria including performance, knowledge, roles and responsibilities etc.

Pursuant to the provisions of the Companies Act, 2013 the Nomination and Remuneration Committee has decided that the Board will evaluate its Committees and the Nomination and Remuneration Committee would evaluate the Board and Individual Directors. The evaluation as aforesaid has been done in the meeting of the Nomination and Remuneration Committee and in the Board Meeting. After evaluation, the performances of the Board, its committees and Individual Directors were found upto the mark and was satisfactory.

The Independent Directors had met separately without the presence of Non-Independent Directors and the members of management and discussed, inter-alia, the performance of Non-Independent Directors and the Board as a whole and the performance of the Chairman of the Company after taking into consideration the views of Executive and Non-Executive Directors.

The performance evaluation of the Independent Directors have been done by the entire Board, excluding the Director being evaluated on the basis of performance and fulfilment of the independence

criteria as specified under the Companies Act, 2013 and the Listing Regulations.

22. CHANGE IN THE NATURE OF BUSINESS, IF ANY

During the year, your Company has not changed the nature of its business.

23. DIRECTORS & KEY MANAGERIAL PERSONNEL (KMP)

Change in Directors and KMP

Mr. Sanjeev Taneja resigned as Director of the Company with effect from closing of working hours of 13th August, 2020 due to his other pre-occupations and expiration of his tenure as a President of India Region & Managing Director of Evonik India Private Limited. The Board placed on records its deep appreciation for the valuable services rendered to the Company by Mr. Sanjeev Taneja during his tenure as a Director of the Company.

Mr. Brijesh Arora had tendered his resignation as Managing Director and as an employee of the Company, with effect from 10th December, 2020. His resignation was accepted by the Board and he ceased to be Managing Director of the Company w.e.f. 10th December, 2020. The Board placed on record its deep appreciation for his contribution to the Company during his tenure.

To strengthen the Board, the Board on the recommendation of Nomination and Remuneration Committee, had appointed Mr. Paremal Narayanan Vinod in the category of Non-Executive Non-Independent Director of the Company with effect from 13th August 2020. Mr. Paremal has been appointed as Additional Director and holds office up to the date of ensuing Annual General Meeting of the Company and

is eligible for appointment. The resolution for his appointment as a Director liable to retire by rotation placed for approval of members. The Board of your Company, at its meeting held on 30th April 2021 appointed Mr Paremal as Managing Director of the Company with effect on 1st May 2021 for a period of 2 years. Mr Paremal will not draw a remuneration from your Company. The said appointment is subject to approval of the members and other required statutory approvals, if any.

To strengthen the Board, the Board on the recommendation of Nomination and Remuneration Committee, had appointed Mr. Gopalakrishnan Anantharaman Iyer in the category of Non-Executive Non-Independent Director of the Company with effect from 10th December 2020. Mr. Iyer has been appointed as Additional Director and holds office up to the date of ensuing Annual General Meeting of the Company and is eligible for appointment. The resolution for his appointment as a Director liable to retire by rotation is being placed for approval of members.

As required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a brief resume, details of experience and other Directorships / Committee memberships/ Chairmanships held by the Directors in other Companies, whose re-appointment is due in the forthcoming Annual General Meeting (AGM) of the Company, forms part of the Notice convening the 33rd AGM.

Term of Independent Directors

The date of commencement of term of Independent directors are given below along with date of approval by Shareholders:

S. No.	Name of Independent Directors	First term		Second term	
		Start date	Date of approval in AGM	Start Date	Date of approval in AGM
1	Mr. Dara Phirozeshaw Mehta	1 st Apr 2014	14 th Aug 2014	1 st Apr 2019	24 th Jul 2018
2	Ms. Sonia Prashar	4 th Aug 2016	26 th Sept 2016	Proposed in the ensuing AGM.	

Ms. Sonia Prashar was appointed as an Independent Director in the 28th Annual General Meeting held in the year 2016 to hold office for a period of 5 consecutive years effective from 4th August 2016 until 3rd August 2021. In terms of Section 149 of the Companies Act, 2013 ('Act'), an Independent Director is eligible for re-appointment on passing of a Special Resolution. Ms. Sonia Prashar, being eligible and offering herself for re-appointment, subject to meeting the eligibility conditions as on the date of appointment, is proposed to be appointed as an Independent Director for a 2nd term of 5 years with effect from 4th August 2021.

In the opinion of the Board, Ms. Sonia Prashar fulfils the conditions specified in the Act and rules made thereunder for her re-appointment as an Independent Director of the Company and is independent of the management. As per the performance evaluation conducted during her 1st term (excluding Ms. Sonia Prashar), her performance was satisfactory as an Independent Director of the Company. The Board and its allied Committees have benefitted from her relevant specialization and expertise. Details on her attendance of various Board and Committee Meetings held during the last financial year are included in the Corporate Governance Report of the Annual Report. The Board of Directors of your Company recommends the

Resolution in relation to the appointment of Ms. Sonia Prashar as an Independent Director, for the approval by the shareholders of the Company as a Special Resolution.

Directors retiring by rotation

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Ms. Meng Tang was liable to retire by rotation in the last AGM held on 13th August 2020. Being eligible, she offered herself for re-appointment and the members appointed her as a Director.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Christian Schlossnikl shall retire by rotation at the ensuing AGM of the Company and being eligible offers himself for re-appointment. The Board recommends his re-appointment to the members of the Company in the ensuing AGM.

Statement on declaration given by Independent Directors

The members are informed that Independent Directors have given a declaration that they meet the criteria of independence as provided in sub-section 6 of the Section 149 of the Companies Act, 2013 as well as Regulation 16 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As required under Regulation 25 of the Listing Regulations, the Independent Directors have also confirmed that they meet the criteria of independence and are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

The Board of the Company also confirms that the Independent Directors fulfill the criteria of being Independent Director as specified under the provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Independent Directors are persons of integrity and possesses relevant expertise and experience.

Familiarization program for Independent Directors

The Company follows an induction programme for orientation and training of Directors at the time of their joining so as to provide them with an opportunity to familiarize themselves with the Company, its operations, business philosophy and model, roles, rights, responsibilities of Independent Directors in the Company and Policies/Rules and Regulations of the Company.

Thereafter, the Company continues with periodic familiarization process of Independent Directors to keep them upto date with the developments in the Company. The details of such familiarization programme is also displayed on the website of the Company at the following link: <https://www.insilcoindia.com/Pdf/PDF-2020/Details%20-%20Familiarization%20Programme%20wef%201%20April%202015.pdf>

24. DISCLOSURES RELATED TO REMUNERATION OF DIRECTORS AND KMPs

a. Corporate Governance - Disclosures as per provisions of Schedule V, Part II, Section II (B)(iv)(IV)

Mr. Brijesh Arora was appointed as Managing Director w.e.f. 4th August 2016 and disclosure in this regard pursuant to above provisions are given in the Corporate Governance Report attached to this report at Clause no. 3.2(D)(a).

b. Ratio of Remuneration of each Director to median remuneration of employees

Ratio of remuneration of Mr. Brijesh Arora to median remuneration of employees during the Financial Year 2020-21 was 16.44:1 .

c. Percentage increase in remuneration of each Director and KMP

The annual increment of remuneration of employees is done every year w.e.f. 1st April. The annual increment w.e.f. 1st April 2020 of Director and KMPs are given below in % alongwith the designation as on the date of approval of this report.

Name	Director/KMP	% increase (w.e.f. 1 st April 2020)
Mr. Brijesh Arora	Managing Director	5.0%
Ms. Shivangi Negi	KMP (Director Finance & Chief Financial Officer)	5.5%
Ms. Swati Surhatia *	KMP (Company Secretary)	87.3%

* Ms. Swati Surhatia joined the company on 2nd March 2020 as Company Secretary.

d. Percentage increase in the median remuneration of employees

The percentage increase in the median remuneration of employees in the Financial Year 2020-21 was 2.89%.

e. No. of permanent employees on the rolls of the Company

As on 31st March 2021, Company had 22 permanent employees on the rolls of the Company. Out of 22 employees, 5 have already

opted for VRS and retire from Company w.e.f. April 15, 2021.

- f. **Average percentage increase already made in the salaries of employees in the Financial Year 2020-21 in April 2020 and its comparison with the percentage increase in the managerial remuneration and justification thereof and exceptional circumstances for increase in the managerial remuneration, if any**

Particulars	Financial Year 2020-21
Average percentage increase in the salaries of employee other than Managerial Personnel	5.35%
Average percentage increase in salary of Managerial Personnel	5.0 %

- g. **Policy compliance affirmation**

The remuneration of the Directors and KMP is as per the nomination and remuneration policy of the Company.

25. STATEMENT PURSUANT TO CLAUSE 5(2) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

During the year, there was no employee of the Company:

- who was employed throughout the Financial Year 2020-21 and was in receipt of remuneration for that financial year of not less than Rs. 10,200,000/- ; or
- who was employed for a part of the Financial Year 2020-21 and was in receipt of remuneration at a rate which was not less than Rs. 850,000/- per month; or
- who was employed throughout or part of the Financial Year 2020-21 and was in receipt of remuneration in that Financial Year, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the Managing Director or Whole-time Director and holds by himself or along with its spouse and dependent children, not less than two percent of the equity shares of the Company.

Top ten employees in terms of remuneration drawn during the Financial Year 2020-21

Sl. No.	Name (In Alphabetical Order)	Designation (As on 31st March 2021)
1	Anurag Srivastava	Head - Site HR & Facilities
2	Brijesh Arora	Managing Director
3	Jaipal Singh Rawat	Sr. Manager - Procurement & Commercial
4	Madan Gopal Sinha	Director (Works) & Plant Head
5	Manoj Kumar	Head - Supply Chain & IT
6	Pradeep Kumar	Head - Environment Safety Health Quality
7	Poonam Jhingan	Executive Assistant
8	Rajeev Agarwal	DGM - Finance & Accounts
9	Sandeep Kumar Gupta	Head – Engineering
10	Shivangi Negi	Director - Finance & CFO

26. AUDITORS

The members are hereby informed that Price Waterhouse & Co Chartered Accountants LLP, (Firm Registration No. with ICAI – 304026E/E300009) was appointed as Statutory Auditor for the first term of 5 years in the 29th AGM to hold the office from the conclusion of the 29th AGM until the conclusion of the 34th AGM of the Company.

The members are also hereby informed that during the previous year an appeal of PW India firms (including Price Waterhouse & Co Chartered Accountants LLP) was heard by the Securities Appellate Tribunal (SAT). The SAT, vide its final order dated September 9, 2019, decided the appeal in favour of the PW India firms (including Price Waterhouse & Co Chartered Accountants LLP) quashing the SEBI

order dated January 10, 2018 restricting the PW India firm undertaking statutory audit and other certification work for listed companies and intermediaries registered with SEBI for a period of 2 years. The SAT has also quashed SEBI Order directing listed companies and intermediaries not to engage PW India firms as auditors. Subsequently, SEBI has filed an appeal to the Supreme Court of India against the order of SAT. The appeal is still pending for disposal, however, the Hon'ble Supreme Court of India vide its interim order dated November 18, 2019 has limited stayed some observations made in the SAT order as to powers and jurisdiction of SEBI.

Based on legal opinion received by the Statutory Auditor, there has been no stay on the operation of the SAT order in totality and there is no restraint order presently on Price Waterhouse firms (including Price

Waterhouse & Co Chartered Accountants LLP), which restrains them from carrying out audit of listed companies. The Board of Insilco is of the view that Price Waterhouse & Co Chartered Accountants LLP will be able to serve as Statutory Auditor of Insilco Limited for the year ending 31st March 2022 as Hon'ble Supreme Court of India will be under obligation to protect interest of the companies for whom PW firms are already acting as Statutory Auditor as per the well-established principles of law.

27. COST AUDITOR/MAINTENANCE OF COST RECORDS

Maintenance of Cost Records for the Financial Year 2020-21

Pursuant to provisions of Section 148 of the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) thereto or re-enactment/ amendment thereof, for the time being in force) and any other applicable provision, the Company is required to maintain cost records basis a turnover criteria in the previous year. However, the operations of the company stand suspended since October 26, 2019 due to refusal of "Consent to Operate" by Uttar Pradesh Pollution Control Board. Accordingly, the production and sales turnover was NIL during the year.

The Board has appointed M/s. Ajay Ahuja and Associates, Cost Accountant (Registration No. 101142), for maintenance of Cost Records of the

products of the Company for the Financial Year ended 31st March 2021. The Cost records of the Company will be presented before the Audit Committee/Board in due course of time.

The contact details of M/s. Ajay Ahuja & Associates (Registration No. 101142) is given below:

- Address : 7/156, Ramesh Nagar, New Delhi-110015
- E-mail : cmajayahuja@gmail.com, ajayahujaassociates@gmail.com
- Mobile : +91 9810326644

Maintenance of Cost Records for the Financial Year 2019-20

The Company was required to maintain cost records for the Financial Year 2019-20. The Board had appointed M/s. Ajay Ahuja and Associates, Cost Accountant (Registration No. 101142) for maintenance of Cost Records of the products of the Company for the Financial Year ended 31st March 2020. The report/certificate of M/s. Ajay Ahuja and Associates, was placed before the Board in its meeting dated 13th August, 2020.

28. AUDIT COMMITTEE

Pursuant to the provisions of Section 177 of the Companies Act, 2013 and the Listing Regulations, the Board has constituted an Audit Committee. The composition of the Audit Committee was as follows:

As on 31 st March 2021		
S. No.	Name of the Director	Designation in Audit Committee
1	Mr. Dara Phirozeshaw Mehta	Chairman
2	Ms. Sonia Prashar	Member
3	Mr. Vinod Paremal	Member

The Board of Directors of the Company has accepted all the recommendations made by the Audit Committee.

29. DISCLOSURE REGARDING SUBSIDIARIES, JOINT VENTURE OR ASSOCIATE COMPANIES

The Company does not have any subsidiary, joint venture or associate company. During the year also there were no companies, which have become or ceased to be your Company's subsidiary, joint venture or associate company.

30. DEPOSITS

The Company has not accepted any deposits during the year pursuant to the provisions of Chapter V of the Companies Act, 2013.

31. MATERIAL ORDERS BY GOVERNING AUTHORITIES

There were no significant or material orders passed by any governing authority of the Company including regulators, courts or tribunals, which could affect the going concern status and the Company's operations in future except as stated in Point No. 6 of this report.

32. ADEQUACY OF INTERNAL FINANCIAL CONTROL WITH RESPECT TO THE FINANCIAL STATEMENT

The Company has laid down proper and adequate internal financial control for ensuring efficient and effective conduct of business, safeguarding of its assets and prevention and detection of fraud and errors with respect to internal financial statement. The same is explained in management and discussions and analysis report under the heading "Internal Control System and their adequacy".

33. SOCIAL RESPONSIBILITY

Good governance demands adherence to social responsibility coupled with creation of value in the larger interest of the general public. We are committed to continuously improving our performance in the areas of environmental protection, health and safety as well as to the principles of sustainable development and responsible care. We continue to contribute to society

by appropriate means. We aim to enhance the quality of life of the community in general and have a strong sense of social responsibility.

34. REPORT ON CORPORATE GOVERNANCE

Pursuant to the provisions of the Listing Regulations, the following are furnished forming part of this Directors' Report:

- i. Report on Corporate Governance together with a Certificate from Practising Company Secretary on compliance with the conditions of Corporate Governance as per provisions of Listing Regulations are attached as **Annexure - 3 and 3.3** respectively.
- ii. Certificate by Managing Director regarding compliance of Code of Conduct by the members of Board and Senior Management as per provisions of Listing Regulations is attached as **Annexure – 3.1**.
- iii. Certificate from Managing Director and Chief Financial Officer regarding correctness of the financial statements presented to the Board is attached as **Annexure – 3.2**.

35. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to the provisions of the Listing Regulations, a Management Discussions and Analysis Report is enclosed as **Annexure - 4** forming part of Annual Report.

36. COMPLIANCE OF SECRETARIAL STANDARDS

The Company is in compliance with the applicable provisions of Secretarial Standards issued by the Institute of Company Secretaries of India.

37. DISCLOSURE BY SENIOR MANAGEMENT OF CONFLICT OF INTEREST, IF ANY

Pursuant to the provisions of regulation 26(5) of the Listing Regulations, the Senior Management of the

Company have made a disclosure to the Board of Director that they have no personal interest in relation to all material, financial and commercial transactions that may have a potential conflict with the interest of the Company at large.

38. INDUSTRIAL RELATIONS

Your Company continued to enjoy cordial relations with all its employees. No man day was lost due to any Industrial Dispute.

39. ACKNOWLEDGEMENT

Your Board of Directors wish to thank and place on record their appreciation for the co-operation and support extended to the Company by the Government of India, State Government of Uttar Pradesh, other local authorities, Bankers, Suppliers, Employees and other Stakeholders which have been a constant source of strength to the Company. The Board of Directors also expresses its sincere gratitude to all the shareholders for their continuous support and trust they have shown in the management. The dedication and sense of commitment shown by the employees at all levels during the year deserve special mention.

Your Company is thankful to the parent Company Evonik Operations GmbH, Germany for continuously providing excellent management, technical and marketing support.

**For & on behalf of the Board of
Insilco Limited**

**Sd/-
Sonia Prashar
Director
DIN : 06477222**

**Place: New Delhi
Date : 31st May, 2021**

**Sd/-
Vinod Paremal
Managing Director
DIN : 08803466**

**Place: Mumbai
Date : 31st May, 2021**

Annexure-1

FORM NO. MGT.9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2021
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

1.	CIN	L34102UP1988PLC010141
2.	Registration Date	19 th October 1988
3.	Name of the Company	Insilco Limited
4.	Category/Sub-Category of the Company	Company Limited By Shares
5.	Address of the Registered office and contact details	A-5, UPSIDC Industrial Area, P.O. Bhartiagram, Gajraula, Distt. Amroha, Uttar Pradesh-244 223, India Contact Details: Contact No. : 09837923893, 09837823893 Fax No. : (05924) 252348 Email : insilco@evonik.com Website : www.insilcoindia.com
6.	Whether listed company	Yes
7.	Name, Address and Contact details of Registrar and Transfer Agent, if any	MCS Share Transfer Agent Limited F-65, 1 st Floor, Okhla Industrial Area, Phase – I, New Delhi – 110020 Contact Details: Contact No. : (011) 41406149-52 Fax No. : (011) 41709881 E-mail : helpdeskdelhi@mcsregistrars.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the Company are as under:

Sl. No.	Name and Description of main products/ services	NIC Code of the Product / service	% to total turnover of the company
NIL	NIL	NIL	NIL

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

[No. of Companies for which information is being filled] – 1

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1.	*Evonik Operations GmbH Rellinghauser Strasse 1-11 45128, Essen, Germany	Not Applicable	Holding	73.11	2(46)

**formerly known as Evonik Degussa GmbH*

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
(a) Individual/HUF	0	0	0	0	0	0	0	0	0.00
(b) Central Govt	0	0	0	0	0	0	0	0	0.00
(c) State Govt(s)	0	0	0	0	0	0	0	0	0.00
(d) Bodies Corp.	0	0	0	0	0	0	0	0	0.00
(e) Banks/FI	0	0	0	0	0	0	0	0	0.00
(f) Any Other	0	0	0	0	0	0	0	0	0.00
Sub-total (A) (1):-	0	0	0	0	0	0	0	0	0.00
(2) Foreign									
(a) NRIs-Individuals	0	0	0	0	0	0	0	0	0.00
(b) Other-Individuals	0	0	0	0	0	0	0	0	0.00
(c) Bodies Corp.	4,58,53,315	0	4,58,53,315	73.11	4,58,53,315	0	4,58,53,315	73.11	0.00
(d) Banks/FI	0	0	0	0	0	0	0	0	0.00
(e) Any Other	0	0	0	0	0	0	0	0	0.00
Sub-total (A) (2):-	4,58,53,315	0	4,58,53,315	73.11	4,58,53,315	0	4,58,53,315	73.11	0.00
Total shareholding of Promoter (A)= (A)(1)+(A)(2)	4,58,53,315	0	4,58,53,315	73.11	4,58,53,315	0	4,58,53,315	73.11	0.00
B. Public Shareholding									
1. Institutions									
(a) Mutual Funds	7,000	14,060	21,060	0.03	0	14,060	14,060	0.02	-0.01
(b) Banks/FI	330	23,350	23,680	0.04	330	23,350	23,680	0.04	0.00
(c) Central Govt	0	0	0	0	0	0	0	0	0.00
(d) State Govt(s)	0	0	0	0	0	0	0	0	0.00
(e) Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
(f) Insurance Companies	0	0	0	0	0	0	0	0	0.00
(g) FIs	0	0	0	0	0	0	0	0	0.00
(h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
(i) Others (specify)	0	0	0	0	0	0	0	0	0.00
Sub-total (B)(1):-	7,330	37,410	44,740	0.07	330	37,410	37,740	0.06	-0.01
2. Non-Institutions									
(a) Bodies Corp.									
(i) Indian	20,20,841	73,320	20,94,161	3.34	20,57,628	73,320	21,30,948	3.40	+0.06
(ii) Overseas	165,080	0	165,080	0.26	165,080	0	165,080	0.26	0
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	76,41,771	23,41,707	99,83,478	15.92	74,75,240	23,32,587	98,07,827	15.65	-0.27

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	44,66,247	0	44,66,247	7.12	45,99,612	0	45,99,612	7.33	+0.21
(c) Others (specify)									
NRI	1,06,769	1,170	1,07,939	0.18	1,19,268	1,170	1,20,438	0.19	+0.01
Trusts	40	0	40	0.00	40	0	40	0.00	0.00
Sub-total (B)(2):-	1,44,00,748	24,16,197	1,68,16,945	26.83	1,44,16,868	24,07,077	1,68,23,945	26.83	0.00
Total Public Shareholding(B)= (B)(1)+(B)(2)	1,44,08,078	24,53,607	1,68,61,685	26.89	1,44,17,198	2,444,487	16,861,685	26.89	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0.00
Grand Total(A+B+C)	60,261,393	2,453,607	62,715,000	100.00	60,270,513	2,444,487	62,715,000	100.00	N.A.

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	
1.	*Evonik Operations GmbH	4,58,53,315	73.11	0.00	4,58,53,315	73.11	0.00	0.00
	Total	4,58,53,315	73.11	0.00	4,58,53,315	73.11	0.00	0.00

**formerly known as Evonik Degussa GmbH*

(iii) **Change in Promoters' Shareholding (please specify, if there is no change):** There was no change in the promoters' Shareholding during the Financial Year 2020-21.

(iv) **Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	Name	Shareholding at the beginning of the year		Date	Increase/ decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares (April 1, 2020/ end of the year (March 31, 2021))	% of total shares of the Company				No. of shares (April 1, 2020 to March 31, 2021)	% of total shares of the Company
1.	Aman Finvest Pvt Ltd.	4,50,000	0.72	01.04.2020	Nil	NA		
		4,50,000	0.72	31.03.2021			4,50,000	0.72
2.	Dharam Chand Baheti	3,52,995	0.56	01.04.2020				
				15.05.2020	-8,843	Sale	3,44,152	0.55
		3,44,152	0.55	31.03.2021			3,44,152	0.55

Sl. No.	Name	Shareholding at the beginning of the year		Date	Increase/decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of shares (April 1, 2020)/ end of the year (March 31, 2021)	% of total shares of the Company				No. of shares (April 1, 2020 to March 31, 2021)	% of total shares of the Company
3.	Ishvam Portfolio Private Limited	3,10,976	0.50	01.04.2020	Nil	NA		
		3,10,976	0.50	31.03.2021			3,10,976	0.50
4.	Unique Securities Private Limited	1,80,524	0.29	01.04.2020				
				08.05.2020	-524	Sale	1,80,000	0.29
		1,80,000	0.29	31.03.2021			1,80,000	0.29
5.	Sonex Investments Ltd.	1,65,080	0.26	01.04.2020	Nil	N.A.		
		1,65,080	0.26	31.03.2021			1,65,080	0.26
6.	Keshav Bhalotia	1,50,000	0.24	01.04.2020	Nil	N.A.		
		1,50,000	0.24	31.03.2021			1,50,000	0.24
7.	Dolly Garg	1,500	0.00	01.04.2020				
				08.01.2021	+20,051	Purchase	21,551	0.03
				15.01.2021	+8,722	Purchase	30,272	0.05
				22.01.2021	+19,382	Purchase	49,654	0.08
				29.01.2021	+7,972	Purchase	57,626	0.09
				05.02.2021	+8,351	Purchase	65,977	0.11
				12.02.2021	+7,730	Purchase	73,707	0.12
				19.02.2021	+10,711	Purchase	84,418	0.13
				26.02.2021	+6,937	Purchase	91,355	0.15
				05.03.2021	+1,000	Purchase	92,355	0.15
				19.03.2021	+24,968	Purchase	1,17,323	0.19
				26.03.2021	+3,805	Purchase	1,21,128	0.19
		31.03.2021	+24,111	Purchase	1,45,239	0.23		
8.	Rural Engineering Co. Pvt. Ltd	1,15,000	0.18	01.04.2020	Nil	N.A.		
		1,15,000	0.18	31.03.2021			1,15,000	0.18
9.	Doon Realtors (Pvt) Ltd.	1,11,770	0.18	01.04.2020	Nil	N.A.		
		1,11,770	0.18	31.03.2021			1,11,770	0.18
10.	Rajesh Kumar Somani	1,01,000	0.16	01.04.2020	Nil	N.A.		
		1,01,000	0.16	31.03.2021			1,01,000	0.16

(v) **Shareholding of Directors and Key Managerial Personnel:** Directors or Key Managerial Personnel did not have any shareholding in the Company during the Financial Year 2020-21.

V. INDEBTEDNESS

Your Company did not have any secured loans, unsecured loans or deposits at the beginning of the year and at the end of the year.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (Amount in Rs.)

Sl. No.	Particulars of Remuneration	Name of MD/ WTD/Manager	Total Amount
		Mr. Brijesh Arora- Managing Director ¹	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (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	83,35,907 43,992 -	83,35,907 43,992 -
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - as % of profit - others, specify...	- -	- -
5.	Others, please specify - Contribution to Provident Fund	3,28,051	3,28,051
	Total (A)	87,07,950	87,07,950
	Ceiling as per the Act		

¹Ceased to be a director of the Company w.e.f. December 10, 2020.

B. Remuneration to other directors: (Amount in Rs.)

Sl. No.	Particulars of Remuneration	Name of Directors						Total Amount
		Mr. Dara Phirozeshaw Mehta	Ms. Sonia Prashar					
1.	Independent Directors • Fee for attending board / committee meetings • Commission • Others, please specify	9,10,000 - -	7,50,000 - -					16,60,000 - -
	Total (1)							
2.	Other Non-Executive Directors			Ms. Meng Tang	Mr. Christian Schlossnikl	Mr. Vinod Paremal ²	Mr. Gopalakrishnan Anantharaman Iyer ³	Mr. Sanjeev Taneja ⁴
	• Fee for attending board/ committee meetings • Commission • Others, please specify			- - -	- - -	- - -	- - -	- - -
	Total (2)	9,10,000	7,50,000	-	-	-	-	-
	Total (B)=(1+2)	9,10,000	7,50,000	-	-	-	-	-
	Total Managerial Remuneration (A+B)	1,03,67,950						
	Overall Ceiling as per the Act							

²Appointed as Additional Director (Non-Independent & Non-Executive) of the Company w.e.f. August 13, 2020.³Appointed as Additional Director (Non-Independent & Non-Executive) of the Company w.e.f. December 10, 2020.⁴Ceased to be director of the Company w.e.f. August 13, 2020.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		Chief Executive Officer	Chief Financial Officer Ms. Shivangi Negi	Company Secretary Ms. Swati Surhatia	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NA	25,45,395	5,30,376	30,75,771
	(b) Value of perquisites u/s17(2) Income-tax Act, 1961	NA	51,457	-	51,457
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	NA	-	-	-
2.	Stock Option	NA	-	-	-
3.	Sweat Equity	NA	-	-	-
4.	Commission				
	- as % of profit	NA	-	-	-
	- Others, specify...	NA	-	-	-
5.	Others, please specify				
	- Contribution to Provident Fund	NA	1,11,600	39,780	1,51,380
	Total	NA	27,08,452	5,70,156	32,78,608

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There was no Penalties/ Punishment/ Compounding of offences under the Companies Act, 2013 against the Company, any of the Directors or any other officer in default, during the year ended 31st March, 2021.

For & on behalf of the Board of Insilco Limited

Sd/-

Sonia Prashar
Director
DIN: 06477222

Sd/-

Vinod Paremal
Managing Director
DIN: 08803466

Place: New Delhi
Date : 31st May, 2021

Place: Mumbai
Date : 31st May, 2021

Annexure-2

FORM No. MR-3
SECRETARIAL AUDIT REPORTFOR THE FINANCIAL YEAR ENDED ON 31st MARCH, 2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members**Insilco Limited,**A 5 UPSIDC Industrial Area, PO Bhartiagram,
Gajraula Distt. J P Nagar, Uttar Pradesh-244223

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **INSILCO LIMITED (hereinafter called "the Company")**. Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's relevant books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided to us by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit the explanations and clarifications given to us and the representation made by the Management and considering the relaxation granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India if any, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2021 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules notified thereunder;
- (iii) Depositories Act, 1996, and the Regulations as amended from time to time and bye laws framed thereunder;
- (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;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company:-
 - The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- 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;
- The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- The Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015;

(vi) Other Laws to the extent applicable :-

- The Factories Act 1948 and rules thereunder;
- Indian Explosive Act, 1884;
- Motor Vehicle Act, 1988;
- Atomic Energy Act, 1962, and rules thereunder;
- Indian Boiler Act, 1923 and Boiler Rules & Regulations thereunder;
- Indian Petroleum Act, 1934 and rules thereunder;
- Electrical Supply Act, 2003;
- Air (Prevention & Control of Pollution) Act, 1981 and rules thereunder;
- Water (Prevention & Control of Pollution) Act, 1974 and rules thereunder;
- The Environment (Protection) Act, 1986 and Rules thereunder;
- Shop and Establishment Act

(vii) Management has, in its Representation Letter, identified and confirmed the applicability and compliance of all laws as being specifically applicable to the company, relating to Labour/ Pollution/ Environment/Production process etc. apart from other general laws.

We have also examined compliance with the applicable clauses of the followings:

- i) Mandatory Secretarial Standards issued by the Institute of Company Secretaries of India.
- ii) The Listing agreement entered into by the Company with BSE Limited

We further report that,

The Board of Directors of the Company was duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including two woman directors till 10.12.2020. Thereafter, Mr. Brijesh Arora, Managing Director of the Company resigned w.e.f. 10.12.2020 and the vacancy caused due to his resignation was yet to be filled till closure of the financial year ending on 31.03.2021. Therefore, the Company as on 31.03.2021, does not have any Executive Director on its board as required under the regulation 17(1)(a) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Further, as per section 203 of Companies Act, 2013 if the office of any whole-time key managerial personnel is vacated, the resulting vacancy shall be filled up by the board at the meeting of the board within the period of six months from the date of such vacancy. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance other than those held at shorter notice, 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.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

We further report that, based on review of compliance mechanism established by the Company and on the basis of compliance certificates issued by the Company Executives and taken on record by the Board of Directors and Audit Committee at their meetings, that there are adequate systems and processes in the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that, the Board of Directors in their meeting held on 30.03.2021, have appointed M/s Ernst & Young LLP to provide professional services to the Company in relation to winding down the operations of the Company. We further report that there have been no instances of following transaction during the audit period:

- Redemption/ Buy-Back of securities.
- Major Decision taken by the members in pursuance to Section 180 of the Companies Act, 2013.
- Foreign Technical Collaborations.
- Merger/amalgamation/reconstruction etc

**For APK & Associates
Company Secretaries**

Sd/-
**Ajay Kumar Prajapati
(Prop.)**

CP No.: 22365

ACS No.: 49295

UDIN: A049295C000208762

Place: New Delhi

Date: 29.04.2021

Note: This report is to be read with our letter of even date which is annexed as Annexure-A and forms an integral part of this report.

Annexure-A

To,
The Members

Insilco Limited,

A 5 UPSIDC Industrial Area, PO Bhartiagram,
Gajraula Distt. J P Nagar, Uttar Pradesh-244223

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

1. The compliance of provisions of all laws, rules, regulations, standards applicable to Insilco Limited (the 'Company') is the responsibility of the management of the Company. Our examination was limited to the verification of records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.
2. Maintenance of Secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit of relevant records maintained and furnished to us by the Company, along with the explanations where so required.
3. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on the test basis to ensure that correct facts are reflected in Secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Where ever required, we have obtained the Management representation about compliance of laws, rules and regulations and happenings of events etc.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For APK & Associates
Company Secretaries**

Sd/-
**Ajay Kumar Prajapati
(Prop.)**

CP No.: 22365

ACS No.: 49295

UDIN: A049295C000208762

Place: New Delhi

Date: 29.04.2021

Annexure-3

CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR 2020-21

1. CORPORATE GOVERNANCE AND COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is about commitment to values and about ethical business conduct. It is about how an organization is managed. This includes its corporate and other structure, its culture, policies and the manner to deal with various stakeholders. Accordingly, timely and accurate disclosure of information regarding the financial performance, future plans and material development affecting the Company, is an integral part of Corporate Governance. The Adoption of good Corporate Governance practices helps to develop a good image of the organization, keeps stakeholders satisfied and attracts best talent. The Company has professional Directors on its Board.

Your Company, as part of the Evonik Group, believes that sound Corporate Governance is critical to enhance and retain investors' trust and recognizes the importance of transparency and integrity in dealings at all levels. Accordingly, your Company is always keen to ensure that the business is carried on with integrity, honesty and fairness. The Company's philosophy is based on accountability, ethical conduct, compliance with statutes in true spirit, interest of all stakeholders, transparency and timely disclosure. The Company is in full compliance with all the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations").

2. BOARD OF DIRECTORS

2.1 Composition of Board

The Board of Insilco Limited as on 31st March 2021,

has 6 (six) Members, all of which are Non-Executive Directors. Out of 6 (six) Non-Executive Directors, 2 (two) are Independent Directors. There are 2 (two) Women Directors including 1 (one) Independent Director. The Chairman of the Board is a Non-Executive Independent Director. The Independent Directors fulfill the conditions specified in Listing Regulations and are independent of the management. The Composition of the Board is in conformity with Regulation 17 of the Listing Regulations relating to the composition in terms of Non-Executive/Independent Directors.

None of the Directors on the Board is a member of more than 10 (ten) Committees or Chairman of more than 5 (five) Committees as specified in Regulation 26 of Listing Regulations. The Directors have made necessary disclosures regarding their directorships and Committee positions in other Companies as on 31st March 2021. None of the Directors is holding directorship in more than seven listed entity nor serve as an independent director in more than seven listed Companies.

None of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority. A certificate from a Company secretary in practice has been attached herewith as **Annexure – 3.4.**

2.2 The names and categories of the Directors on the Board and the number of directorships and committee memberships/chairmanship held by them in other companies as on 31st March 2021 are given below:

Name of the Director	DIN	Category	Designation	No. of Directorships ¹ , Committee Chairmanships/ Memberships ² in other Companies		
				Other Directorships	Committee Chairmanship	Committee Memberships
Mr. Dara Phirozeshaw Mehta	00041164	Non-Executive, Independent	Chairman	4	Nil	Nil
Mr. Christian Schlossnikl	07557639	Non-Executive, Non-Independent	Director	Nil	Nil	Nil
Ms. Meng Tang	07012101	Non-Executive, Non-Independent (Woman)	Director	Nil	Nil	Nil
Ms. Sonia Prashar	06477222	Non-Executive, Independent (Woman)	Director	2	Nil	Nil
Mr. Vinod Paremal	08803466	Non-Executive, Non-Independent	Director	3	Nil	Nil
Mr. Gopalakrishnan A Iyer	00388092	Non-Executive, Non-Independent	Director	Nil	Nil	Nil

Further, none of the directors of the Company belongs to the promoter and Promoter Group.

¹This includes Public and Private Companies and excludes Section 8 and Foreign Companies

²In accordance with Regulation 26 of Listing Regulations, Chairmanships/Memberships of only Audit Committee and Stakeholders' Relationship Committees of all Public Limited Companies have been considered.

The names of listed entities where the director is director:

Name of Director	Name of listed entity	Category of directorship
Nil	Nil	Nil

None of directors of the Company is director in any other listed entity as on March 31, 2021.

2.3 BOARD MEETINGS AND PROCEDURE

A. BOARD PROCEDURE

The tentative date of next meetings is generally determined in advance in the preceding Board Meeting. The Board Meetings are governed by a structured agenda and agenda papers are supported by comprehensive background information to enable directors to take informed decisions. The Managing Director and Company Secretary in consultation with other directors and members of Senior Management, finalize the agenda papers for the Board Meetings.

Detailed Agenda and other explanatory statements in defined agenda format are circulated well in advance before the meeting amongst the board members for facilitating meaningful, informed and focused decisions at the meetings. In case of exigencies or urgency, resolutions are passed by circulation.

The required information as enumerated in Part-A of Schedule II of Listing Regulations is made available to the Board of Directors for discussions and consideration at Board Meetings. In addition to the above information, the Board is also kept informed of major events/items wherever necessary. The Managing Director at the Board Meetings keeps the Board apprised of the overall performance of the Company.

Minutes of proceedings of Board Meetings are properly recorded. The draft Minutes are circulated amongst the members of Board for their comments in terms of applicable Secretarial Standards issued by the Institute of Company Secretaries of India. The final minutes of proceedings of meetings are entered in Minutes Book and signed by the Chairman of the Board within the prescribed timelines. The Company fully complies with the provisions of the Companies Act, 2013, Listing Regulations and Secretarial Standard on Meetings of the Board of Directors in this regard.

The Board periodically reviews compliance reports made by the Managing Director of laws applicable to the Company as well as steps taken by the Company to rectify the instances of non-compliances, if any.

B. DETAILS OF BOARD MEETINGS HELD DURING THE FINANCIAL YEAR 2020-2021

Ten (10) Board Meetings were held during the Financial Year ended 31st March 2021. The Board should meet at least 4 (four) times in a year, with maximum time gap of one hundred and twenty days between any two meetings as prescribed under Regulation 17 of the Listing Regulations.

The details of the Board Meetings held during the Financial Year 2020-2021 are as under:

S.No.	Date	Board Strength	No. of Directors Present
1	12 th May 2020	6	6
2	23 rd June 2020	6	6
3	13 th August 2020	6	6
4	15 th October 2020	6	6
5	02 nd November 2020	6	6
6	10 th December 2020	6	6
7	22 nd January 2021	6	5
8	10 th February 2021	6	6
9	24 th March 2021	6	6
10	30 th March 2021	6	6

C. ATTENDANCE OF DIRECTORS AT BOARD MEETINGS HELD DURING THE FINANCIAL YEAR 2020-2021 AND AT THE 32nd ANNUAL GENERAL MEETING (AGM)

Name of the Director	Attendance		Whether Attended last AGM held on 13 th August 2020
	No. of Board Meetings held during the tenure	Meetings Attended	
Mr. Dara Phirozeshaw Mehta	10	10	Yes
Mr. Christian Schlossnikl	10	10	Yes
Ms. Meng Tang	10	10	Yes
Ms. Sonia Prashar	10	9	Yes

Name of the Director	Attendance		Whether Attended last AGM held on 13 th August 2020
	No. of Board Meetings held during the tenure	Meetings Attended	
Mr. Brijesh Arora	6	6	Yes
Mr. Vinod Paremal	7	7	Yes
Mr. SanjeevTaneja	3	3	Yes
Mr. Gopalakrishnan A Iyer	4	4	No

- Mr. Sanjeev Taneja resigned as Director with effect from closing of working hours of 13th August 2020.
- Mr. Vinod Paremal appointed as Director with effect from 13th August 2020.
- Mr. Brijesh Arora resigned as Managing Director with effect from 10th December 2020.
- Mr. Gopalakrishnan A Iyer appointed as Director with effect from 10th December 2020.

D. CODE OF CONDUCT

The Code of Conduct of Insilco Limited is applicable to Directors, Senior Management Team and employees of the Company. The Code of Conduct is available on Company's website.

All the members of the Board and Senior Management Personnel have affirmed compliance to the code as on 31st March 2021. A Declaration of Managing Director regarding compliance with Code of Conduct by Directors and Senior Management Personnel is attached as **Annexure-3.1**.

E. PREVENTION OF INSIDER TRADING CODE

In accordance with Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Company has adopted 'Code of Conduct to Regulate, Monitor and Report Trading by Insiders' and 'Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information'. All the connected persons as per 'Code of Conduct to Regulate, Monitor and Report Trading by Insiders' who could have access to the Unpublished Price Sensitive Information of the Company are governed by this code.

F. INTER-SE RELATIONSHIP BETWEEN DIRECTORS

The Directors are not related to each other and they are engaged in their professional capacity as Directors of the Company after compliance of prevalent regulations under Companies Act, 2013 and Listing Regulations.

G. HOLDING OF DIRECTORS

As on the date of this report, all the Directors of the

Company do not hold any shares or convertible instruments in the Company.

H. SKILLS/EXPERTISE/COMPETENCE OF THE BOARD OF DIRECTORS SPECIFYING THE FOLLOWING:

The list of core skills/expertise/competencies identified by the board of directors as required in the context of its business(es) and sector(s) for it to function effectively are as follows:

- Appropriate Educational background
- Good Communication
- Integrity
- Leadership skills
- Management skills
- Decision making ability
- Analytical Skills
- Strategic Thinking
- Vision
- Knowledge of German language
- Technical knowledge and/or technical experience
- Accounting or related financial management expertise

Even if anyone Director in the Board consists of given skills/ expertise/ competencies, such skills/ expertise/ competencies shall be deemed to be available with Board.

The Board has identified the names of the Directors, who possessed the identified core skills/expertise/ competencies as on 31.03.2021 are given below :

Key Skills/ expertise / competencies	Name of Directors					
	Dara Phirozeshaw Mehta	Christian Schlossnikl	Sonia Prashar	Meng Tang	Vinod Paremal	Gopala-krishnan A Iyer
Appropriate Educational background	Yes	Yes	Yes	Yes	Yes	Yes
Good Communication	Yes	Yes	Yes	Yes	Yes	Yes
Integrity	Yes	Yes	Yes	Yes	Yes	Yes
Leadership skills	Yes	Yes	Yes	Yes	Yes	Yes

Key Skills/ expertise / competencies	Name of Directors					
	Dara Phirozeshaw Mehta	Christian Schlossniki	Sonia Prashar	Meng Tang	Vinod Paremal	Gopala-krishnan A Iyer
Management skills	Yes	Yes	Yes	Yes	Yes	Yes
Decision making ability	Yes	Yes	Yes	Yes	Yes	Yes
Analytical Skill	Yes	Yes	Yes	Yes	Yes	Yes
Strategic Thinking	Yes	Yes	Yes	Yes	Yes	Yes
Vision	Yes	Yes	Yes	Yes	Yes	Yes
Knowledge of German Language	No	Yes	Yes	No	Yes	No
Technical knowledge and/or technical experience	No	Yes	No	Yes	Yes	No
Accounting or related financial management expertise	Yes	No	No	No	No	Yes

I. It is hereby confirmed that in the opinion of the Board of Directors of the Company, the independent directors of the Company fulfill the conditions specified in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management. Further, none of the independent directors resigned during the financial year.

J. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company conducts familiarization program for Independent Directors at regular intervals. The details of the same are given at the following web link of the Company:

<https://www.insilcoindia.com/Pdf/PDF-2020/Details%20-%20Familiarization%20Programmes%20w.e.f.%201%20April%202015.pdf>

3. COMMITTEES OF THE BOARD

The Board of Directors of the Company has 3 (three) Committees namely:

1. The Audit Committee
2. The Nomination and Remuneration Committee
3. The Stakeholders' Relationship Committee

Other Committees

Apart from above committees of the Board, the Board has also constituted 3 Committees which includes officers of the Company as its members. These Committees are as follows:

1. Complaints Committee (under Policy on Prevention of Sexual Harassment at Workplace)
2. Share Transfer Committee
3. Committee for determining materiality of an event or information

The terms of reference of the Committees are reviewed by the Board as and when required. Matters requiring Board's attention/approval are placed before the Board after approval/recommendation from the respective

Committee, wherever required. The minutes of the meetings of all aforesaid Committees constituted by the Board are placed before the Board for discussions/noting. The role and composition of these Committees along-with terms of reference of these Committees and details of the Committee meetings held during the Financial Year 2020-2021 and other related information are provided below:

3.1 AUDIT COMMITTEE

The Audit Committee assists the Board in its responsibility for overseeing the quality and integrity of the accounting, auditing and reporting practices of the Company and its compliance with the legal and regulatory requirements. The Committee's purpose is to oversee the accounting and financial reporting process of the Company, the audits of the Company's financial statements, the appointment, independence and performance of the statutory auditors and the internal auditors and to meet out the requirements of Listing Regulations.

A. Terms of reference as on 31st March 2021

The terms of reference of the Audit Committee covers all matters specified under Part C of Schedule II of the Listing Regulations and Section 177 of the Companies Act, 2013 which *inter-alia* includes the following:

The Audit Committee has the following powers:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee and from the records of the Company.
3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

The role of the Audit Committee includes the following:

1. Oversight of the Company's financial reporting

- process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of Statutory Auditors and the fixation of Audit Fees.
 3. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
 4. Approval of payment to statutory auditors for any other services rendered by the Statutory Auditors.
 5. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Directors' Responsibility Statement to be included in the Directors' Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of any related party transactions.
 - Modified opinion(s) in draft audit report.
 6. Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
 7. Examination of the financial statement and the auditors' report thereon.
 8. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
 9. Reviewing with the management, the performance of Statutory and Internal Auditors, adequacy of internal control systems & to ensure compliance of internal control systems.
 10. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure, coverage and frequency of internal audit.
 11. Discussion with Internal Auditors, any significant findings and follow up thereon and scope of Internal Audit.
 12. Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
 13. Discussion with Statutory Auditor before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain areas of concern including observations of auditors.
 14. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
 15. To review the functioning of the Whistle Blower Mechanism, if any.
 16. Approval of Appointment of CFO (i.e. the whole time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background etc. of the candidate.
 17. Carrying out such other function(s) as may be specifically referred to the Committee by the Board of Directors and/or other Committee(s) of Directors of the Company.
 18. To review the following information:
 - The management's discussion and analysis of financial condition and results of operations;
 - Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 - All material individual transactions with related parties or others, which are not on an arm's length basis, together with management's justification for the same;
 - Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
 - Internal audit reports relating to internal control weaknesses.
 19. Approval or any subsequent modification of transactions of the Company with related parties.
 20. Scrutiny of inter-corporate loans and investments.
 21. Valuation of undertakings or assets of the Company, wherever it is necessary.
 22. The appointment, removal and terms of remuneration of the Chief Internal Auditor if any shall be subject to review by the Audit Committee.

23. To review and monitor management responsiveness to findings and recommendations of Internal Auditors.
24. Review the Company's Compliance with employee's benefits plans.
25. Oversee and review the Company policies regarding information technology and management information systems.
26. Evaluation of internal financial controls and risk management systems.

B. Composition

As on 31st March 2021, the Audit Committee has 3 (three) Members comprising of 2 (two) Non-Executive Independent Directors and 1 (one) Non-Executive Non-Independent Director. The Chairman of the Audit Committee is an Independent Director. The

Composition of Audit Committee meets the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations.

All the members of the Committee are financially literate and at least one member possesses accounting or related financial management expertise. The quorum of the Committee is two members or one-third of its members, whichever is higher with at least two Independent Directors.

Mr. Sanjeev Taneja had resigned as a Director of the Company with effect from closing of working hours of 13th August 2020. Mr. Vinod Paremal had been appointed as Director of the Company with effect from 13th August 2020 and Mr. Vinod Paremal had been appointed as Member of the Audit Committee in the place of Mr. Sanjeev Taneja. Therefore, the Audit Committee was reconstituted in the Board Meeting held on 13th August 2020.

The composition of the Audit Committee as on 31st March 2021 is given below:

Name of Members	Category	Designation
Mr. Dara Phirozeshaw Mehta	Non-Executive, Independent	Chairman
Ms. Sonia Prashar	Non-Executive, Independent	Member
Mr. Vinod Paremal	Non-Executive, Non-Independent	Member

The Committee is headed by Mr. Dara P. Mehta, an Independent Director of the Company. The Chairman of the Audit Committee, Mr. Dara P. Mehta was present at the 32nd Annual General Meeting of the Company held on 13th August 2020 to answer the queries of shareholders. The Managing Director and Chief Financial Officer are permanent invitees to the Audit Committee Meetings. The representatives of the Statutory Auditor are invited to attend the Audit Committee Meeting. The representatives of Internal Auditor are invited to attend the Audit Committee Meeting as and when required. The Company

Secretary of the Company acts as Secretary to the Committee.

C. Meetings and Attendance

The tentative date of next meeting is generally determined in advance in the preceding Board Meeting.

Details of Audit Committee Meetings held during the Financial Year 2020-2021

8 (Eight) Audit Committee Meetings were held during the Financial Year ended 31st March 2021. The dates on which meetings were held including the details of presence of members are as follows:

S.No.	Date	Committee Strength	No. of Members Present
1	12 th May 2020	3	3
2	23 rd June 2020	3	3
3	13 th August 2020	3	3
4	15 th October 2020	3	3
5	02 nd November 2020	3	3
6	10 th February 2021	3	3
7	24 th March 2021	3	3
8	30 th March 2021	3	3

The intervening period between two Audit Committee meetings was well within one hundred and twenty days as prescribed under Regulation 18 of the Listing Regulations.

Attendance of members of Audit Committee Meetings held during the Financial Year 2020-2021:

Name of Members	Attendance	
	No. of Meetings held during the tenure	Meetings Attended
Mr. Dara P. Mehta, Chairman	8	8
Ms. Sonia Prashar	8	8
Mr. Sanjeev Taneja	3	3
Mr. Vinod Paremal	5	5

3.2 NOMINATION AND REMUNERATION COMMITTEE**A. Terms of Reference as on 31st March 2021**

- It shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
- It shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- recommend to the board, all remuneration, in whatever form, payable to senior management.
- It shall, while formulating the remuneration policy ensure that –
 - the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
 - relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

B. Composition

As on 31st March 2021, the Nomination and Remuneration Committee comprised of 4 (four) Non-Executive Directors, out of which 2 (two) are Independent Directors. Ms. Sonia Prashar, Independent Director of the Company is the Chairman of the Nomination and Remuneration Committee. The Composition of Nomination and Remuneration Committee meets the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

Mr. Sanjeev Taneja had resigned as a Director of the Company with effect from closing of working hours of 13th August 2020. Mr. Vinod Paremal had been appointed as Director of the Company with effect from 13th August 2020. Mr. Vinod Paremal had been appointed as Member of the Nomination and Remuneration Committee in the place of Mr. Sanjeev Taneja. Therefore, the Nomination and Remuneration Committee was reconstituted in the Board Meeting held on 13th August 2020.

The composition of the Nomination and Remuneration Committee as on 31st March 2021 is given below:

Name of Members	Category	Designation
Ms. Sonia Prashar	Non-Executive, Independent	Chairperson
Mr. Dara P. Mehta	Non-Executive, Independent	Member
Mr. Christian Schlossnikl	Non-Executive, Non-Independent	Member
Mr. Vinod Paremal	Non-Executive, Non-Independent	Member

The Company Secretary of the Company acts as Secretary to the Committee.

C. Meetings and Attendance

5 (Five) Nomination and Remuneration Committee Meetings were held during the Financial Year ended

31st March 2021. The date of the meeting, Committee strength and number of members present in the meeting were as follows:

S.No.	Date	Committee Strength	No. of Members Present
1	12 th May 2020	4	4
2	13 th August 2020	4	4
3	15 th October 2020	4	4
4	10 th December 2020	4	4
5	10 th February 2021	4	4

Attendance of members of Nomination and Remuneration Committee Meetings held during the Financial Year 2020-2021:

Name of Members	Attendance	
	No. of Meetings held during the tenure	Meetings Attended
Ms. Sonia Prashar	5	5
Mr. Dara P. Mehta	5	5
Mr. Christian Schlossnikl	5	5
Mr. Vinod Paremal	3	3
Mr. Sanjeev Taneja	2	2

D. Nomination and Remuneration Policy

A Nomination and Remuneration Policy of the Company has been approved by Nomination and Remuneration Committee and Board of Directors of the Company. Details of this policy have been given in the Directors' Report pursuant to the provisions of the Companies Act, 2013.

The remuneration is fixed keeping in view of the overall limit laid down under the Companies Act, 2013, qualification and experience of the appointee and overall financial performance of the Company.

a. Executive Directors
Remuneration and other details of Mr. Brijesh Arora (Managing Director)

Mr. Brijesh Arora was appointed as Managing Director of the Company w.e.f. 4th August 2016 for a period of 5 years. Mr. Brijesh Arora has resigned from MD position effective from 10th December 2020. The remuneration drawn by Mr. Brijesh Arora during the Financial Year 2020-21 is as under:

(Amount in Rs.)

Salaries	Benefits	Performance linked Incentive/Bonus*	Retirement Benefits**	Perquisites***	Total
48,33,760	26,77,128	6,58,567	5,00,427	57,580	87,27,462

Note:

*At the beginning of the financial year 2020-21, the opening balance of the performance-linked incentive/bonus was Rs. 8,50,011. The company paid Rs. 6,58,567 during the financial year. And balanced provision of Rs. 1,91,444 was reversed. Accordingly, the closing balance of provision as on 31st March 2021 was Nil.

The aforesaid performance linked incentive/bonus paid to Mr. Arora was based on achievement of various criteria which are listed below:

- (i) Sales & Strategy
- (ii) Plant operations & productivity
- (iii) Leadership, Building organization & Organizational values
- (iv) Environment, Safety, Health & Quality (ESHQ)

** This does not include provision for leave encashment and contribution to gratuity fund, as such separate figures are not available. Retirement benefits includes Provident Fund, Superannuation and National Pension Scheme.

*** This includes (i) use of Company owned and maintained car (ii) hard furnishing scheme as per rules of the Company (iii) Coverage under group

personal accident insurance policy (iv) Coverage under group mediclaim family floater policy.

- (i) The term of Mr. Brijesh Arora as Managing Director was for 5 years effective 4th August 2016. The Contract of appointment of Mr. Brijesh Arora as Managing Director can be terminated by either party by giving to the other party, without assigning any reasons whatsoever, three months' notice in writing of its intention to do so or equivalent amount of basic salary in lieu thereof.
- (ii) Mr. Brijesh Arora shall be entitled to the following retirement benefits as per rules of the Company at the time of his retirement or cessation of service from the Company (a) Provident Fund (b) Superannuation (c) Gratuity (d) National Pension Scheme (e) encashment of unavailed leave or any other benefit as per the rules of the Company.

b. Non-Executive Directors including criteria for making payments to them

The Company does not have any pecuniary relationship with any of its Non-Executive Directors. The Non-Executive Directors do not hold any shares or convertible instruments in the Company as on 31st March 2021.

The Non-Executive Independent Directors are not

paid any remuneration other than the sitting fee for attending meetings of the Board and the Committees thereof as approved by the Board. The sitting fees as determined by the Board are presently Rs. 40,000/- (Rupees Forty Thousand only) per meeting for attending meeting of the

Board and Rs. 30,000/- (Rupees Thirty Thousand only) per meeting for attending meeting of the Audit Committee, Stakeholders' Relationship Committee and Nomination and Remuneration Committee, which are within the limits prescribed under the Companies Act, 2013.

The Details of Sitting Fees paid to Non-Executive Independent Directors during the Financial Year 2020-2021 are as under:

Name of Directors	Sitting Fees (Rs.)				
	Board Meeting	Audit Committee Meeting	Stakeholders' Relationship Committee Meeting	Nomination and Remuneration Committee Meeting	Total
Mr. Dara P. Mehta	4,00,000	2,40,000	1,20,000	1,50,000	9,10,000
Ms. Sonia Prashar	3,60,000	2,40,000	N.A.	1,50,000	7,50,000

The Non-Executive Non-Independent Directors do not receive any payment including remuneration and sitting fee from the Company.

Further, there is no notice period and severance fee for non-executive Directors. The provisions of the Companies Act, 2013 and appointment letter issued with respect to their appointment govern their service contracts & other terms and conditions of appointment.

E. Employee Stock Option Scheme

The Company does not have any employee stock option scheme for the employees and Directors.

F. Performance Evaluation Criteria for Independent Directors

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of the Listing Regulations, the performance evaluation of Independent Directors was done by the entire Board of Directors and in the evaluation, the directors, who are subject to evaluation had not participated. The evaluation of Independent Directors were based on criteria such as acting objectively and constructively while exercising their duties, exercise their responsibilities in a bona fide manner in the interest of the company etc.

3.3 STAKEHOLDERS' RELATIONSHIP COMMITTEE

A. Terms of Reference

The Stakeholders' Relationship Committee looks into redressal of the shareholders and investors complaints like transfer of shares, dematerialization, issue of

duplicate shares and other matters relating to investors grievances and investors relations. It also considers and resolves the grievance of security holders of the Company.

B. Composition

The Committee presently comprises of three directors. The Chairman of the Committee is a Non-Executive Independent Director.

Mr. Sanjeev Taneja had resigned as a Director of the Company with effect from closing of working hours of 13th August 2020. Mr. Vinod Paremal had been appointed as Director of the Company with effect from 13th August 2020 and Mr. Vinod Paremal had been also appointed as Member of the Stakeholders' Relationship Committee in the place of Mr. Sanjeev Taneja. Therefore, the Stakeholder's Relationship Committee was reconstituted in the Board Meeting held on 13th August 2020.

Mr. Brijesh Arora had resigned as a Managing Director of the Company from 10th December 2020. Mr. Gopalakrishnan A Iyer had been appointed as Director of the Company with effect from 10th December 2020 and Mr. Gopalakrishnan A Iyer had been also appointed as Member of the Stakeholders' Relationship Committee in the place of Mr. Brijesh Arora. Therefore, the Stakeholders' Relationship Committee was again reconstituted in the Board Meeting held on 10th December 2020.

As on 31st March 2021, the composition of the Stakeholders' Relationship Committee was as follows:

Name	Category	Designation
Mr. Dara P. Mehta	Non-Executive, Independent Director	Chairperson
Mr. Vinod Paremal	Non-Executive, Non-Independent Director	Member
Mr. Gopalakrishnan A Iyer	Non-Executive, Non-Independent Director	Member

C. Meetings and Attendance

4 (Four) Stakeholders' Relationship Committee Meetings were held during the Financial Year ended

31st March 2021. The date of the meeting, Committee strength and no. of members present in the meeting were as follows:

S.No.	Date	Committee Strength	No. of Members Present
1	23 rd June 2020	3	3
2	13 th August 2020	3	3
3	02 nd November 2020	3	3
4	10 th February 2021	3	3

D. Attendance at Stakeholders' Relationship Committee Meetings held during the Financial Year 2020-2021 :

Name of Members	Attendance	
	No. of Meetings held during the tenure	Meetings Attended
Mr. Dara P. Mehta	4	4
Mr. Brijesh Arora	3	3
Mr. Sanjeev Taneja	2	2
Mr. Vinod Paremal	2	2
Mr. Gopalakrishnan A Iyer	1	1

E. Name and Designation of Compliance Officer

Ms. Swati Surhatia, Company Secretary is the Compliance Officer of the Company as on 31st March 2021.

The Contact details of Compliance Officer are as follows:

Address	Telephone Number	Fax Number
A-5, UPSIDC Industrial Area, Bhartiagram, Gajraula – 244223 Distt Amroha, Uttar Pradesh, India	09837823893 & 09837923893	(05924) 252348

F. Details of the Investor complaints received and redressed

The Company addresses all investor complaints and

grievances expeditiously and sends replies/ resolve issues within the prescribed time. The status of total number of complaints received, resolved/pending during the Financial Year 2020-2021 is as follows:

Opening	Received during the F.Y. 2020-2021	Resolved during the F.Y. 2020-2021	Closing
0	1	1	0

Further, it was also confirmed that all the complaints resolved during the Financial Year 2020-2021 are resolved to the satisfaction of the shareholders.

3.4 OTHER COMMITTEES
3.4.1 COMPLAINTS COMMITTEE (UNDER POLICY ON PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE)

Pursuant to the Company's Policy on Prevention of Sexual Harassment at Workplace, a Complaints Committee has also been formed.

Mr. Sanjeev Taneja had resigned as a Director of the Company with effect from closing of working hours of 13th August 2020. Mr. Vinod Paremal had been appointed as Director of the Company with effect from 13th August 2020 and Mr. Paremal had been appointed as Member of the Complaints Committee

in the place of Mr. Sanjeev Taneja. Therefore, the Complaints Committee was reconstituted in the Board Meeting held on 13th August 2020.

Further, Ms. Poonam Jhingan had taken Voluntary Retirement Scheme, 2021 of the Company and she left the Company with effect from 31st January 2021. Ms. Swati Surhatia, Company Secretary of the Company had been appointed as a Member of the Complaints Committee in the place of Ms. Poonam Jhingan in the Board Meeting held on 24th March 2021. Therefore, the Complaints Committee was again reconstituted in the Board Meeting held on 24th March 2021.

As on 31st March 2021, the Complaints Committee consists of the following members:

Name of Members	Designation
Ms. Shivangi Negi	Chairman
Mr. Vinod Paremal	Member
Ms. Swati Surhatia	Member

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

- number of complaints filed during the financial year : Nil
- number of complaints disposed of during the financial year : N.A.
- number of complaints pending as on end of the financial year : Nil

As no complaint was received during the year under said policy, the Complaints Committee did not meet anytime during the Financial Year 2020-21.

3.4.2 SHARE TRANSFER COMMITTEE

A. Terms of Reference

With a view to expedite the process of share transfer which are received in physical form, the Board had constituted a "Share Transfer Committee" which usually meets every fortnight to consider and approve the shares received for transfer, transmission, rematerialization etc. A summary of transfer/transmission of securities so approved by the

committee are placed periodically at the Board Meetings.

However, during the period from 1st April 2020 to 30th June 2020, no meetings were held because of following reasons:

- Due to COVID-19 Pandemic and lock-down prevailing in the country.
- No request for transfer/transmission was received during the said period.
- No other Agenda was required to be transacted.

The Committee took note of the aforesaid matter and after due considerations decided that for the time being, the requirement of holding meeting in every 15 days is waived off and the meeting shall be convened as and when request for transfer/transmission comes or where any other business is required to be transacted.

B. Composition

As on 31st March 2021, the Committee was consisting the following members:

Name of Members	Designation
Managing Director	Chairman
Ms. Sonia Prashar, Director	Member
Chief Financial Officer	Member
Company Secretary	Member

C. Meeting and attendance

The Committee met 3 times during the Financial Year 2020-21. The details are as under:

S.No.	Date	Committee Strength	No. of Members Present
1	3 rd July 2020	4	3
2	14 th August 2020	4	3
3	7 th September 2020	4	3

D. Attendance at Share Transfer Committee Meetings held during the Financial Year 2020-2021:

The Committee strength and number of members present in the meeting during the Financial Year 2020-21 were as follows:

Name of Members	Attendance	
	No. of Meetings held during the tenure	Meetings Attended
Mr. Brijesh Arora (Managing Director)* Chairman	3	3
Ms. Sonia Prashar (Director) Member	3	-
Ms. Shivangi Negi (Chief Financial Officer) Member	3	3
Ms. Swati Surhatia (Company Secretary) Member	3	3

*Mr. Brijesh Arora had resigned as a Managing Director of the Company from 10th December 2020.

Pursuant to Regulation 40 of the Listing Regulations, certificate on half yearly basis confirming due compliance of Share Transfer formalities by Registrar and Share Transfer Agent including sub-division, consolidation etc. obtained from a Practicing Company Secretary within one month of the end of each half of the Financial Year and the same is sent to stock exchange within prescribed time.

In addition, as stipulated by SEBI, a Reconciliation of Share Capital Audit Report by a Practicing Company Secretary for reconciliation of the Share Capital confirming that the total issued capital of the Company is in agreement with the total number of shares in physical form and total number of

dematerialized shares held by NSDL and CDSL, is placed before the Board on a quarterly basis. A copy of the said Audit Report is also submitted to the Stock Exchange within prescribed time.

3.4.3 COMMITTEE FOR DETERMINING MATERIALITY OF AN EVENT OR INFORMATION

Pursuant to Regulation 30 of the Listing Regulations, the Board has constituted a Committee for determining materiality of an event or information and a policy in this regard was also framed by the Board. Meeting of this Committee is event based and during the Financial Year 2020-21 no meeting was required to be held.

As on 31st March 2021, the committee was consisting the following members:

Name of Members	Designation
Managing Director	Chairman
Chief Financial Officer	Member
Company Secretary	Member

4. SUBSIDIARY

The Company does not have any subsidiary.

5. GENERAL BODY MEETINGS

Location, date and time of the Annual General Meeting (AGM) held during the preceding three years and Special Resolution passed thereat are as follows:

General Meeting	Day & Date	Time	Location (Registered Office)	Particulars of Special Resolution passed
32 nd AGM	Thursday, 13 th Aug. 2020	02:30 p.m.	Through Video Conferencing/ Other Audio Visual Means (OAVM)	There was no special resolution passed in the 32 nd AGM of the Company.
31 st AGM	Friday, 13 th Sept. 2019	11:00 a.m.	A-5, UPSIDC Industrial Estate, Bhartiagram, Gajraula-244223, Uttar Pradesh	Approval of remuneration of Mr. Brijesh Arora- Managing Director (DIN: 00952523)
30 th AGM	Tuesday, 24 th July 2018	11:00 a.m.	A-5, UPSIDC Industrial Estate, Bhartiagram, Gajraula-244223, Uttar Pradesh	Re-appointment of Mr. Dara Phirozeshaw Mehta as an Independent Director of the Company to hold office for a 2 nd term of 5 (Five) consecutive years with effect from 1 st April 2019.

5.1 Disclosures related to Postal Ballot

During the Financial year ended 31st March 2021 the Company has not passed any Resolution through Postal Ballot.

Further, till the date of signing of this report, no Special Resolution is proposed to be conducted through postal ballot.

Procedure of Postal ballot

Resolutions, if required, shall be passed by Postal

Ballot during the year ending on 31st March 2022, as per the prescribed procedure under the Companies Act, 2013 and Listing Regulations.

6. MEANS OF COMMUNICATION

Quarterly Results: The quarterly results of the Company are announced within 45 (forty five) days of completion of each quarter. Audited Annual Results are announced within 60 (sixty) days from the end of the Financial Year. The Company regularly intimates

unaudited as well as audited financial results to the stock exchange, immediately after these are approved by the Board. The quarterly and annual financial results are normally published in "Business Standard" Newspaper - All India Edition (English Language) and "Business Standard" (Vernacular Language). The Company also ensures that financial results are promptly and prominently displayed on Company's Website www.insilcoindia.com for the information of all stakeholders. All the important events and official news releases of the Company including requirements of Regulation 46 of Listing Regulations are also disclosed on the website of the Company for ready reference of the Investors.

Annual Report: Annual Report containing inter-alia Audited Accounts, Directors' Report, Management Discussion and Analysis Report (MD&A), Auditor's Report, Corporate Governance Report including information for Shareholders and other important information is circulated to the members and others entitled thereto.

The Company also ensures that the details of its business, financial information, shareholding pattern, compliance with corporate governance, contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances, details of agreements entered into with media companies and/or their associates including all other mandatory disclosures are promptly and prominently displayed at the following web link : <http://www.insilcoindia.com/Investors.htm>.

The official news releases and presentation made to institutional investors/analysts, if any, whenever made by the Company, are also displayed at the following

web link: <http://www.insilcoindia.com/Investors.htm>.

7. MANAGEMENT

Management discussion and analysis of results of operations and financial condition is included in the Annual Report for the Financial Year 2020-2021 and this report contains all the applicable information specified under Listing Regulations. The disclosures have been made by all Senior Management Personnel for the Financial Year 2020-2021 regarding all material, financial and commercial transactions where they have a personal interest, which may have a potential conflict with interest of the Company at large, if any.

8. SHAREHOLDERS INFORMATION

The brief resume of all the directors seeking appointment/re-appointment/fixation of term are available in this report in the notice of the ensuing Annual General Meeting. The Quarterly and Annual results of the Company are forwarded to Bombay Stock Exchange, where securities of the Company are listed. The quarterly financial statements as well as the annual financial statements are posted on the Company's website. Corporate announcements made by the Company from time to time are also posted on the Company's website.

9. CEO/CFO CERTIFICATION

The Certificate required under Regulation 17 of the Listing Regulations duly signed by Managing Director and Chief Financial Officer has been placed before the Board in its meeting held on 31st May, 2021. Copy of the same is attached as **Annexure-3.2** to this report.

10. GENERAL SHAREHOLDERS INFORMATION

10.1 Particulars of ensuing Annual General Meeting

Date	2 nd August, 2021
Time	2:30 p.m.
Day	Monday
Venue	Through Video Conference
Financial Year	The Company follows the period of 1 st April to 31 st March as the Financial Year.
Book Closure dates	27 th July, 2021 to 2 nd August, 2021
Dividend Payment Dates	No dividend has been recommended for the Financial Year 2020-21.

10.2 Listing on Stock Exchange (With Stock Code)

Name and address of Stock Exchange	Stock Code
BSE Limited (BSE) 25 th Floor, Phiroze JeeJeebhoy Towers, Dalal Street, Mumbai-400001	500211

10.3 Listing Fee

Annual Listing fee for the year 2020-2021 has been paid to BSE Limited.

10.4 ISIN No. in NSDL & CDSL

INE901A01011

10.5 Stock Market Data

The Monthly High/Low stock prices of Company Equity Shares at BSE Sensex during Financial Year 2020-2021 are given below:

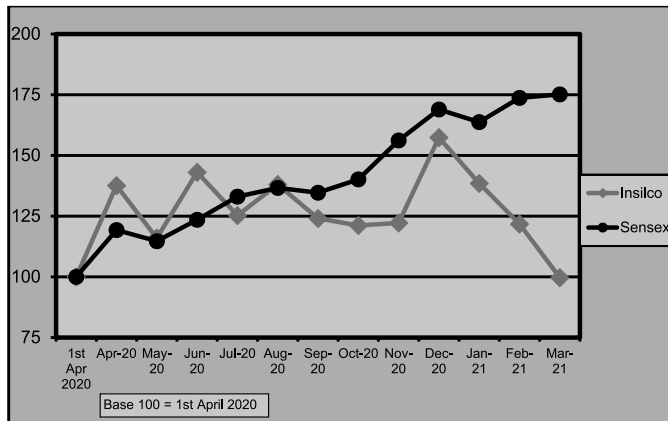
Month	BSE Limited			
	Insilco Share Price		BSE Sensex	
	High (Rs.)	Low (Rs.)	High	Low
Apr 2020	10.00	6.24	33,887.25	27,500.79
May 2020	9.75	6.96	32,845.48	29,968.45
Jun 2020	12.00	7.40	35,706.55	32,348.10
Jul 2020	9.99	7.65	38,617.03	34,927.20
Aug 2020	11.47	7.91	40,010.17	36,911.23
Sep 2020	9.47	7.63	39,359.51	36,495.98
Oct 2020	9.00	7.56	41,048.05	38,410.20
Nov 2020	8.07	6.18	44,825.37	39,334.92
Dec 2020	10.99	7.81	47,896.97	44,118.10
Jan 2021	11.45	8.75	50,184.01	46,160.46
Feb 2021	9.99	7.85	52,516.76	46,433.65
Mar 2021	8.50	6.31	51,821.84	48,236.35

Source: www.bseindia.com

10.6 Stock Performance in comparison to BSE Sensex

The performance of the Company's Closing Share price relative to the BSE Sensex for the year 2020-2021 is given in the chart below :

INSILCO Closing Price vs. BSE Sensex Closing April 2020 to March 2021


10.7 Registrar and Transfer Agent

Address & E-mail ID	Telephone Number	Fax Number
MCS Share Transfer Agent Ltd., F-65, 1 st Floor, Okhla Industrial Area, Phase-I, New Delhi-110020 helpdeskdelhi@mcsregistrars.com	(011) 41406149-52	(011) 41709881

10.8 Share Transfer System

The application for Transfer, Transmission and issue of duplicate shares are received at the office of Registrar and Share Transfer Agent, MCS Share Transfer Agent Limited or by Company at its

registered office. If the Transfers & Transmission documents are in order, the Transfers & Transmission of shares in physical form is processed within prescribed time from date of receipt of documents complete in all respect.

10.9 Dematerialization of Shares & Liquidity

The shares of the Company are in compulsory dematerialized segment and are available for trading

system of both NSDL and CDSL. The details of the no. of shares held in Dematerialized form and physical mode as on 31st March 2021 are as follows:

Name	Physical		Dematerialized		Total	
	No. of Shares	% to Paid up capital	No. of Shares	% to Paid up capital	No. of Shares	% to Paid up capital
Evonik Operations GmbH	-	-	45,853,315	73.11	45,853,315	73.11
Others	2,444,487	3.90	14,417,198	22.99	16,861,685	26.89
Total	2,444,487	3.90	60,270,513	96.10	62,715,000	100.00

10.10 As on 31st March 2021, the Distribution of Shareholding of the Company was as follows:

Range of No. of Equity Shares held	Total No. of Shares held	% to Total	No. of folios	% to Total
1 to 500	4,491,237	7.16	34,244	91.14
501 to 1000	1,403,160	2.24	1,694	4.51
1001 to 2000	1,192,987	1.90	769	2.05
2001 to 3000	704,666	1.12	272	0.72
3001 to 4000	397,540	0.63	110	0.29
4001 to 5000	601,186	0.96	127	0.34
5001 to 10000	1,316,490	2.10	181	0.48
10001 to 50000	3,077,136	4.91	143	0.38
50001 to 100000	1,604,066	2.56	23	0.06
100001 and above	47,926,532	76.42	11	0.03
Total	62,715,000	100.00	37,574	100.00

10.11 Shareholding Pattern of the Company as on 31st March 2021:

Category	No. of Shares	% to total
Promoters - Evonik Operations GmbH	45,853,315	73.11
Residents (Individual)	14,407,439	22.97
Financial Institutions and Banks	23,680	0.04
Non-Resident Individuals/ OCBs	285,518	0.46
Indian Corporate Bodies/ Trusts	2,130,988	3.40
Mutual Funds/ Insurance Companies	14,060	0.02
Total	62,715,000	100.00

10.12 Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion date and likely impact on equity

No GDRs/ADRs/Warrants or any convertible instruments has been issued by the Company.

10.13 Commodity price risk or foreign exchange risk and hedging activities

No hedging activities have been done as Commodity price risk and Foreign exchange risk are not material.

10.14 Plant Location

Gajraula	A-5, UPSIDC Industrial Area, Bhartiagram, Gajraula-244223, Uttar Pradesh, India
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10.15 Credit Rating

No credit ratings were obtained by the entity during the relevant financial year under review, since there were no debt instruments or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad.

10.16 Address for Correspondence

- i. All correspondence regarding transfer and dematerialization of share certificates should be addressed to our Registrar and Share Transfer Agent, MCS Share Transfer Agent Limited located at:

F-65, 1st Floor, Okhla Industrial Area, Phase-I, New Delhi - 110020

Following are the contact numbers:

Phone Numbers : (011) 41406149-52

Fax number : (011) 41709881

Email Address : helpdeskdelhi@mcsregistrars.com

- ii. For any other information, the Shareholders may contact the Company Secretary at the Registered Office of the Company situated at:

A-5, UPSIDC Industrial Area, Bhartiagram, Gajraula-244223, District Amroha, Uttar Pradesh, India

Telephone : (0) 98378 23893 & 98379 23893

Fax No. : (05924) 252348

Email address : insilco@evonik.com

Website : www.insilcoindia.com

11. DISCLOSURE OF COMPLIANCE WITH CORPORATE GOVERNANCE REQUIREMENTS SPECIFIED IN REGULATION 17 TO 27 AND REGULATION 46 OF LISTING REGULATIONS

The Company has complied with the applicable provisions of Listing Regulations including Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46.

Further, there is no non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) of Part C to Schedule V.

12. CERTIFICATE FROM PRACTICING COMPANY SECRETARY REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

M/s. APK & Associates, Practicing Company Secretary, has audited the conditions of the Corporate Governance and after being satisfied with the compliance of the same, a certificate on compliance of the same has been issued to the Company, which is attached as **Annexure-3.3** to this report.

13. OTHER DISCLOSURES

- There were no materially significant related party transactions of the Company, which have potential conflict with the interest of the Company at large. Pursuant to the provisions of the Companies Act, 2013 and applicable Indian Accounting Standards, the related party transactions during the Financial Year 2020-2021 have been disclosed in Note no. 25 of Notes to Accounts to Financial Statements.

The Company is in the Compliance of the provisions of Regulation 23 of Listing regulations. The required disclosures with respect to the related party transactions were duly made to Audit Committee on a quarterly basis in terms of provisions of Listing Regulations.

The Company has adopted a Whistle Blower Policy through which vigil mechanism of the Company has been laid down. The Company affirms that no personnel have been denied access to the Audit

Committee on any issue. Such policy is available on the website of the Company at the following link: <https://www.insilcoindia.com/Pdf/Whistle%20Blower%20Policy.pdf>

- The Company has complied with all the mandatory requirements of the Listing Regulations. The Company has not adopted discretionary requirement of the Listing Regulations.
- As the Company has no subsidiary, the Board has not framed any policy for determining material subsidiary.
- The policy on dealing with Related Party Transactions is available at the following web link of the Company: <https://www.insilcoindia.com/Pdf/RELATED%20PARTY%20TRANSACTION%20POLICY.pdf>
- The Company has not obtained any public funding during the Financial Year ended 31st March 2021.
- There is no event where board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year.
- Total fees for all services paid by the listed entity to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.
- The Company don't have any demat suspense account/unclaimed suspense account, as the same is not required.

For & on behalf of the Board of Insilco Limited

Sd/-
Sonia Prashar
Director
DIN : 06477222

Sd/-
Vinod Paremal
Managing Director
DIN : 08803466

Place : New Delhi
Date : 31st May, 2021

Place : Mumbai
Date : 31st May, 2021

Annexure 3.1**DECLARATION ON CODE OF CONDUCT BY MANAGING DIRECTOR**

I, Vinod Paremal, Managing Director of Insilco Limited hereby confirm and declare that to the best of my knowledge and belief all Board Members and Senior Management Personnel have affirmed compliance with the Company's Code of Conduct during the Financial Year ended 31st March 2021.

Place: Mumbai
Date: 31st May, 2021

Sd/-
Vinod Paremal
Managing Director
DIN: 08803466

Annexure 3.2**CEO/CFO CERTIFICATION**

To,
The Board of Directors
Insilco Limited

CHIEF EXECUTIVE OFFICER (CEO) & CHIEF FINANCIAL OFFICER (CFO)
CERTIFICATION FOR THE FINANCIAL YEAR 2020-2021

We hereby certify to the Board that:

1. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
 - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps they have taken or propose to take to rectify these deficiencies.
4. We have indicated to the auditors and the Audit Committee
 - (a) significant changes in internal control over financial reporting during the year;
 - (b) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (c) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

For Insilco Limited

Sd/-
Vinod Paremal
Managing Director

Place: Mumbai
Date: 31st May, 2021

Sd/-
Shivangi Negi
Chief Financial Officer

Place: Noida
Date: 31st May, 2021

Annexure-3.3**Corporate Governance Certificate**

To
The Members
Insilco Limited

We have examined the compliance of conditions of Corporate Governance by **Insilco Limited** ("the Company"), for the financial year ended March 31, 2021, as stipulated under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the Listing Regulations except, that the vacancy caused due to resignation of Mr. Brijesh Arora, Managing Director of the Company w.e.f. 10.12.2020, which was yet to be filled till the closure of financial year ending on 31.03.2021. Subsequently, the Company does not have any Executive Director on its Board pursuant to regulation 17(1)(a) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the management of the Company including the preparation and maintenance of all relevant supporting records and documents. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

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

For APK & Associates
Company Secretaries

Sd/-
Ajay Kumar Prajapati
(Prop.)

CP No.: 22365

ACS No. 49295

UDIN:A049295C000208553

Date: 29.04.2021

Place: New Delhi

Annexure-3.4**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**
(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of **INSILCO LIMITED**

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **INSILCO LIMITED** having CIN L34102UP1988PLC010141 and having registered office at A-5, UPSIDC Industrial Area, P.O. Bhartiagram, Gajraula, Distt. J.P. Nagar, Uttar Pradesh-244223 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ended **31st March 2021** have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or by any other such Statutory Authority.

S. No.	Name of the Director	DIN	Date of appointment in the Company
1.	Mr. Dara Phirozeshaw Mehta	00041164	31/12/2005
2.	Mr. Gopalakrishnan Anantharaman Iyer	00388092	10/12/2020
3.	Ms. Sonia Prashar	06477222	04/08/2016
4.	Ms. Meng Tang	07012101	13/11/2014
5.	Mr. Christian Schlossnikl	07557639	04/08/2016
6.	Mr. Paremal Narayanan Vinod	08803466	13/08/2020

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Nityanand Singh & Co.
Company Secretaries

Sd/-

Nityanand Singh (Prop.)
FCS No. 2668/ CP No. 2388
UDIN: F002668C000130391

Date: 19th April 2021

Place: New Delhi

Annexure – 4

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**Overall Review**

The plant operations were suspended from 26th October 2019 onwards after refusal of renewal of Consent to operate by UPPCB. Accordingly, during the year there were no production and sales.

Industry Structure and Developments

Precipitated Silica is used for rubber and specialty applications. The rubber applications include - Tyre, Footwear and Mechanical Rubber Goods. The specialty applications include - Agrochemicals, Feed, Food, Toothpaste, Detergents, Battery Separators, Cosmetics and Defoamer.

Discussion on financial performance with respect to operational performance

The Board of Directors are of the view that the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate and therefore, the financial statements for the year ended March 31, 2021 have not been prepared on a going concern basis. The Company management has assessed carrying value of assets and liabilities and based on current estimates, certain adjustments have been made in the books of account during the year ended March 31, 2021.

A. Financial Position**1. Non-Current Assets:****(i) Property, Plant and Equipment (PPE) & Other Intangible Assets**

Impairment loss to the carrying values of Property, Plant and Equipment's (PPE) aggregating to Rs. 142.44 Million has been recognized in the books of account based on valuation report of an external independent valuer.

(ii) Capital work-in-progress

The capital work-in-progress comprises of expenditure towards the Propane LPG Project at Gajraula plant, written off during the year.

(iii) Right-of-use assets

Pursuant to adoption of Ind AS 116, leased assets are presented as a separate line item in the Balance Sheet. Accordingly, leasehold land has been recognized as Right-of-use assets. Right of use assets relating to leasehold land have been carried at cost as no loss is expected based on valuation report of an external independent valuer.

(iv) Investment properties

As per requirement of IND AS-40, freehold land has been classified as investment property. The

carrying amount of investment property is Rs. 0.10 Million and fair value as on March 31, 2021 is Rs. 1.6 Million.

(v) Financial Assets

Loans and other financial assets amount to Rs. 7.34 Million as of March 31, 2021 as compared to Rs. 8.60 Million as on March 31, 2020. It mainly comprises of Rs. 7.12 Million towards security deposit.

(vi) Other Non-Current Assets

Other non-current assets amounts to Rs. 11.32 Million as on March 31, 2021 as compared to Rs. 0.45 Million as on March 31, 2020. It includes balance with government authorities and deferred employee cost.

(vii) Income Tax Assets (Net)

It represents advance income taxes paid net of provisions.

2. Current Assets**(i) Inventories**

Inventories amount to Rs. 4.96 Million as on March 31, 2021 as compared to Rs. 26.70 Million as on March 31, 2020. Inventory consists of only stores and spares inventory. Further, write down adjustment to the carrying values of stores and spares aggregating to Rs. 12.99 Million has been recognized in the books of account based on valuation report of an external independent valuer.

(ii) Financial Assets Investments

As on March 31, 2021 there are no investments in Mutual Funds.

Trade Receivables

There are no trade receivables as on March 31, 2021.

Cash and Cash Equivalents and Other Bank Balances

As at March 31, 2021, the Company had a Cash and Cash Equivalents and Other Bank Balances of Rs. 270.50 Million. This represents 73% of total assets.

Loan and Other Financial Assets

Loan and Other Financial Assets amount to Rs. 6.02 Million as on March 31, 2021 as compared to Rs. 10.65 Million as on March 31, 2020. It includes Rs. 5.35 Million towards Interest accrued on fixed deposits.

(iii) Other Current Assets

Other current assets amount to Rs 3.65 Million as compared to Rs. 19.45 Million as on March 31, 2020.

3. Equity Share Capital

The Company has one class of shares - equity shares of par value of Rs. 10/- each. The authorized share capital of the Company is Rs. 657.15 Million divided into 65,715,000 equity shares of Rs. 10/- each. The issued, subscribed and paid-up share capital stood at Rs. 627.15 Million as on year ended March 31, 2021.

During the year, there is no change in share capital of the Company.

4. Other equity**Reserves and Surplus**

The balance retained in the Profit & Loss Account as on March 31, 2021 is Rs. (356.91) Million as compared to Rs. 214.63 Million as on March 31, 2020. The book value per share at the end of the year is Rs. 4.31 as compared to Rs.13.42 at the end of previous year.

5. Non-Current Liabilities**Financial Liabilities****(i) Lease Liabilities**

Lease liabilities as at March 31, 2021 is Rs. 0.09 Million. This includes leasehold land of Gajraula.

Employee benefit obligations

Employee benefit obligations as at the year-end are Rs. 1.75 Million as compared to Rs. 1.02 Million as on March 31, 2020. This represents liabilities towards payment of retention bonus and exgratia.

Deferred Tax Liabilities

Deferred tax liabilities as at March 31, 2021 is Nil.

6. Current Liabilities

The Company owes an amount of Rs. 99.46 Million as compared to Rs. 43.35 Million as on March 31, 2020. This represents 16.48% of total expenditure for the year ended March 31, 2021 as compared to 6.15% of previous year. These liabilities include the following:

Particulars	As of March 31, 2021 (Rs. in Million)
Lease liabilities	0.003
Trade Payables	8.86
Other Financial Liabilities	
Employee related liabilities	3.17
Liability towards employees voluntary retirement scheme	22.94
Security deposits from Vendors	0.09
Employee benefit obligations	
Compensated absences	2.88
Retention bonus/exgratia	1.68
Gratuity	0.83
Provisions	35.34
Other Current Liabilities:	
Advances from customers	0.04
Statutory dues	23.63
Total	99.46

B. Results of Operations**1. Turnover**

The detail of turnover of the Company is as per table given below:

(Rs. in Million)

Particulars	Year ended 31.03.2021	Year ended 31.03.2020
Revenue from Operations	Nil	577

2. Net Profit/Loss After Tax

The total comprehensive loss for the year ended March 31, 2021 is Rs. 571.54 Million as compared to loss of Rs. 107.59 Million in previous year.

3. Earnings Per Share

The basic EPS during the year is Rs. (9.20) per share as against Rs. (1.67) per share in the previous year.

4. Employee Benefits Expense

The employees' remuneration and benefits for the year ended March 31, 2021 are Rs. 259.18 Million as compared to Rs. 86.35 Million for the year ended March 31, 2020. This includes voluntary retirement scheme benefit of Rs. 167.34 Million and Rs. 13.52 Million for retention bonus/exgratia.

5. Depreciation and impairment

There has been provided a sum of Rs. 20.04 Million towards depreciation for the year ended March 31,

2021. Further, impairment provision on Property, Plant and Equipment and Intangible assets of Rs. 142.44 Million has been created.

6. Other Expenses

Other expenses for the year ended March 31, 2021 are Rs. 195.47 Million as compared to Rs. 323.30 Million for the year ended March 31, 2020. The other expenses includes power and fuel, loss allowance on stores and spare parts, waste disposal, Transfer Levy etc.

FINANCIAL DATA FOR THE YEAR ENDED MARCH 31, 2021

[Rs. in Million except per share data and other information]

Description	March 2021	March 2020	March 2019	March 2018	March 2017
Financial Performance					
Sales	-	577.47	951.47	888.04	957.85
Less: Excise duty	-	-	-	(22.17)	(91.43)
Turnover (net of excise duty)	-	577.47	951.47	865.87	866.42
(Loss)/Profit before Interest, Investment Income, Depreciation, Exceptional Items and Tax	(581.61)	(122.19)	(70.89)	(14.49)	14.84
Other Income					
i) Income from Interest & Investment	31.63	47.81	37.61	34.25	62.90
ii) Other income (other than income from interest and Investment)	15.48	5.70	2.87	5.52	4.00
Interest Expenses	(6.41)	(0.12)	(3.24)	(0.18)	(0.10)
Depreciation and Amortization	(20.04)	(28.28)	(24.64)	(19.16)	(17.17)
Exceptional Items	-	-	-	-	-
(Loss)/Profit Before tax	(576.43)	(102.78)	(61.17)	0.42	56.31
Taxation charge / (Release)	0.76	1.95	(0.77)	(3.22)	7.24
(Loss)/Profit after Tax	(577.19)	(104.73)	(60.41)	3.64	49.07
Other comprehensive income	5.65	(2.86)	(2.41)	1.65	(2.63)
Total comprehensive income for the year	(571.54)	(107.59)	(62.82)	5.29	46.44
Balance Sheet					
Share Capital	627.15	627.15	627.15	627.15	627.15
Reserves and Surpluses (including other reserves)	(356.91)	214.63	322.22	385.03	379.33
Net Worth	270.24	841.78	949.37	1012.18	1006.48
Non-Current Liabilities	1.85	4.71	1.09	1.67	1.54
Non-Current Assets	86.41	248.10	258.75	228.24	201.31
Net Current Assets	185.68	598.40	691.71	785.61	806.70
Total Assets	371.55	889.85	1050.53	1097.65	1069.17

Description	March 2021	March 2020	March 2019	March 2018	March 2017
Per Share Data					
Basic EPS (Rs.)	(9.20)	(1.64)	(0.96)	0.06	0.78
Book Value per share (Rs.)	4.31	13.42	15.14	16.14	16.05
Other Information					
Number of Shareholders	37151	37595	38124	39360	40521

RATIO ANALYSIS FOR THE YEAR ENDED MARCH 31, 2021

Description	March 2021	March 2020	March 2019	March 2018	March 2017
Ratios-Financial Performance					
Gross Profit/ Total Sales [%]	-	16%	18%	23%	22%
Profit/(Loss) Before Interest, Investment Income, Depreciation, Exceptional Item & Tax/ Total Sales [%]	-	-21%	-7%	-2%	2%
Profit/(Loss) Before Interest, Investment Income, Depreciation & Tax/ Total Sales [%]	-	-21%	-7%	-2%	2%
Ratios-Balance Sheet					
Debt Equity Ratio (Long Term Debt : Equity)	-	-	-	-	-
Current Ratio	2.87	14.80	7.91	10.37	14.19

For Insilco Limited

Sd/-

Shivangi Negi

Director-Finance and Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

To the Members of Insilco Limited**Report on the audit of the financial statements****Qualified Opinion**

1. We have audited the accompanying financial statements of Insilco Limited ("the Company"), which comprise the balance sheet as at March 31, 2021, and the statement of Profit and Loss ((including Other Comprehensive loss), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. 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 Companies Act, 2013 ("the Act") in the manner so required and, except for the indeterminate effects of the matter referred to in the Basis for Qualified Opinion section of our report, 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 March 31, 2021, and total comprehensive loss (comprising loss and other comprehensive loss), changes in equity and its cash flows for the year then ended.

Basis for qualified opinion

3. We draw your attention to Note 33 to the Financial Statements regarding suspension of the Company's manufacturing operations due to rejection of the Company's applications for water and air consent approvals by the U.P. Pollution Control Board (UPPCB) vide its order dated October 22, 2019. The Company's appeals before the Special Secretary, Department of Environment, UP have been dismissed by the Special Secretary vide orders dated December 4, 2020. Further, as described in the said note, the Board of Directors has recommended voluntary liquidation of the Company and accordingly, as described in Note 36, use of the going concern basis of accounting in the preparation of the financial statements is considered inappropriate as there are no realistic alternatives for resumption of the Company's operations and accordingly, the financial statements for the year ended March 31, 2021 have not been prepared on a going concern basis and certain adjustments described in the said note have been made based on the current estimates of the Company. However, future course of events as stated in the aforesaid note for the realisation of the assets and settlement of its liabilities might affect the classification and consequential adjustments to the carrying values of assets and liabilities of the Company, the impact of which on the financial statements cannot be ascertained at this stage.
4. We draw your attention to Note 35 to the Financial Statements regarding letter dated July 1, 2020 of Uttar

Pradesh State Industrial Development Authority (UPSIDA) granting conditional approval of the change in Shareholding and Directors in earlier years subject to payment of proportionate transfer levy amounting to Rs.80,900 thousands, restriction on transfer of controlling interest for five years, execution of fresh lease deed with the Company, increase in lease rent during remaining period of lease of land and compliance with other conditions. As described in the said note, the Company has deposited transfer levy of Rs.80,900 thousands along with interest of Rs.5,710 thousands under protest which has been expensed during the year ended March 31, 2021 and has contested before UPSIDA that the aforementioned other terms and conditions in respect of the lease are not applicable to the Company. As described in the said note, the Company has filed writ petition before the Hon'ble Allahabad High Court in this regard which is pending disposal. Pending resolution of these matters with appropriate authorities, we are unable to comment on the potential impact, if any, on carrying value of the assets and liabilities in these financial statements.

We are unable to determine the impact of the aforesaid matters, in aggregate, on the loss for the year and consequently, on the shareholders' funds as at March 31, 2021.

5. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Key audit matters

6. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Except for the matters described in the Basis for Qualified Opinion section above, we have determined that there are no other key matters to be communicated in our report.

Other Information

7. The Company's Board of Directors is responsible for

the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

8. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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.
 9. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.
- ### **Auditor's responsibilities for the audit of the financial statements**
10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes
 - our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
 11. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

15. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
16. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and except for the matters described in the Basis of Qualified Opinion section of our report, 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, except for the indeterminate effect of the matter described in the Basis for Qualified Opinion paragraph section of our report, 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 (including other comprehensive loss), the Statement of Changes in Equity and Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, except for the indeterminate effect of the matters described in the paragraphs 3 & 4 of the Basis for Qualified Opinion section of our report, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - (e) The matters described under basis of qualified

opinion paragraph may have an adverse effect on the functioning of the Company.

- (f) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion section of our report
 - (h) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
 - (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Notes 26 and 35 to the financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts – Refer Note 12 to the financial statements. The Company did not have any derivative contracts as at March 31, 2021;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2021;
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2021.
17. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/ E-300009

Sd/-
Charan S Gupta
Partner
Membership Number: 093044
UDIN: 21093044AAAAO9879

Gurugram
May 31, 2021

Annexure A to Independent Auditors' Report

Referred to in paragraph 16 (h) of the Independent Auditors' Report of even date to the members of Insilco Limited on the financial statements for the year ended March 31, 2021

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Insilco Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial

statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Basis for Qualified opinion

8. According to the information and explanations given

to us and based on our audit, a material weakness in the Company's internal control system has been identified as at March 31, 2021 in the period end financial reporting process as we were unable to obtain sufficient appropriate evidence with respect to operating effectiveness of the Company's internal control for the evaluation and assessment of carrying value of certain assets and liabilities along with the classification, presently under litigation as described in note 35 of the financial statements, along with the related uncertainty over the future course of events in respect of realisation of the assets and settlement of its liabilities as described in note 36 of the financial statements.

9. A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

Qualified Opinion

10. In our opinion, except for the possible effects of the material weakness described in the Basis for Qualified Opinion paragraph above on the achievement of the objectives of the control criteria, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at

March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

11. We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company for the year ended March 31, 2021, and the material weaknesses referred to in paragraph 8 have affected our opinion on the financial statements of the Company and we have issued a qualified opinion on the financial statements. Refer Basis of Qualified Opinion section of the main audit report.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/ E-300009

Sd/-

Charan S Gupta

Partner

Membership Number: 093044

UDIN: 21093044AAAAO9879

Gurugram

May 31, 2021

Annexure B to Independent Auditors' Report

Referred to in paragraph 15 of the Independent Auditors' Report of even date to the members of Insilco Limited on the financial statements as of and for the year ended March 31, 2021

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of property, plant and equipment, right-of-use assets, investment properties and other intangible assets.
- (b) The property, plant and equipment, right-of-use assets and investment properties are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the property, plant and equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of immovable properties, as disclosed in Note 3(b) on Leases – Right-of-use assets and Note 4 on investment properties to the financial statements, are held in the name of the Company.
- ii. The physical verification of inventory have been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained as may be applicable since there were no

operations during the year as described in Note 33 of the Financial Statements. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of property and water tax to Nagarpalika Parishad (refer Note 22 (b) of the financial statements) and Income Tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, sales tax, service tax, duty of customs,

duty of excise, value added tax, cess, goods and service tax and other material statutory dues, as applicable, with the appropriate authorities. Also refer note 26(c) to the financial statements regarding management's assessment on certain matters relating to provident fund.

- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, service-tax, duty of customs, duty of excise which have not been deposited on account of any dispute. The particulars of dues of sales tax, and value added tax as at March 31, 2021 which have not been deposited on account of a dispute, are as follows:

Name of the Statute	Nature of Dues	Amount (Rupees in '000)	Period to which the amount relates	Forum where the dispute is pending
West Bengal Value Added Tax, 2003	Penalty	107*	2010-11	West Bengal Taxation Tribunal
Uttar Pradesh Value Added Tax Act, 2008	Value added tax	546**	2015-16	Assistant Commissioner of Commercial Tax (Appeals)

* Net of payment under protest of Rs. 50 ('000)

** Net of payment under protest of Rs. 231 ('000)

- viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act. Also refer paragraph 17 of our main audit report.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of

Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/ E-300009

Sd/-

Charan S Gupta

Partner

Membership Number: 093044
UDIN: 21093044AAAAO9879

Gurugram
May 31, 2021

Balance Sheet as at March 31, 2021

(All amounts "Rs. in '000" unless otherwise stated)

PARTICULARS	Notes	As at 31-Mar-2021	As at 31-Mar-2020
ASSETS			
Non-current assets			
Property, plant and equipment	3(a)	46,890	208,492
Right-of-use assets	3(b)	11,822	14,510
Capital work-in-progress	3(a)	-	5,171
Investment properties	4	104	104
Other intangible assets	5	-	301
Financial assets			
i. Loans	6 (a)	7,343	7,597
ii. Other financial assets	6 (b)	-	1,000
Other non-current assets	7 (a)	11,318	451
Income tax assets (net)	7 (b)	8,937	10,474
Total non-current assets		86,414	248,100
Current assets			
Inventories	8	4,963	26,696
Financial assets			
i. Investments	9 (a)	-	182,567
ii. Trade receivables	9 (b)	-	3,121
iii. Cash and cash equivalents	9 (c)	20,303	9,259
iv. Bank balances other than (iii) above	9 (d)	250,197	390,000
v. Loans	6 (a)	210	1,496
vi. Other financial assets	6 (b)	5,810	9,152
Other current assets	10	3,649	19,454
Total current assets		285,132	641,745
Total assets		371,546	889,845
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11 (a)	627,150	627,150
Other equity			
Reserves and surplus	11 (b)	(356,907)	214,630
Total equity		270,243	841,780
LIABILITIES			
Non-current liabilities			
Financial liabilities			
i. Borrowings	12 (a)	-	-
ii. Lease liabilities	3(b)	94	1,740
Employee benefit obligations	13 (a)	1,753	1,018
Deferred tax liabilities (net)	14	-	1,954
Total non-current liabilities		1,847	4,712
Current liabilities			
Financial liabilities			
i. Lease liabilities	3(b)	3	912
ii. Trade payables			
- Total outstanding dues of micro and small enterprises	12 (b)	3	91
- Total outstanding dues of creditors other than micro and small enterprises	12 (b)	8,856	18,306

(All amounts "Rs. in '000" unless otherwise stated)

PARTICULARS	Notes	As at 31-Mar-2021	As at 31-Mar-2020
iii. Other financial liabilities	12 (c)	26,199	5,431
Provisions	12 (d)	35,343	157
Employee benefit obligations	13 (b)	5,388	13,755
Other current liabilities	15	23,664	4,701
Total current liabilities		99,456	43,353
Total liabilities		101,303	48,065
Total equity and liabilities		371,546	889,845

The above balance sheet should be read in conjunction with the accompanying notes.

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration No.: 304026E/E-300009

Sd/-

Charan S. Gupta

Partner

Membership No. 093044

Place : Gurugram

Date : May 31, 2021

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

Sd/-

Sonia Prashar

Director

DIN: 06477222

Place: New Delhi

Sd/-

Shivangi Negi

Chief Financial Officer

Place: Noida

Date : May 31, 2021

Sd/-

Paremal Narayanan Vinod

Managing Director

DIN: 08803466

Place: Mumbai

Sd/-

Swati Surhatia

Company Secretary

Place: New Delhi

Statement of Profit and Loss for the year ended March 31, 2021

(All amounts "Rs. in '000" unless otherwise stated)

PARTICULARS	Notes	Year ended 31-Mar-2021	Year ended 31-Mar-2020
Revenue from operations	16	-	577,470
Other income	17 (a)	34,171	33,920
Other gains/(losses) (net)	17 (b)	12,938	19,587
Total income		47,109	630,977
Expenses			
Cost of materials consumed	18	-	227,193
Changes in inventories of finished goods and work-in-progress	19	-	68,508
Employee benefit expense	20	259,182	86,346
Depreciation and amortisation expense	21 (a)	20,039	28,278
Impairment loss on Property, Plant and Equipment and intangible assets	21 (b)	142,436	-
Other expenses	22	195,469	323,305
Finance costs	23	6,409	124
Total expenses		623,535	733,754
(Loss)/ profit before tax		(576,426)	(102,777)
Income tax expense	24		
- Taxes relating to earlier years		2,718	-
- Deferred tax		(1,954)	1,954
Total tax expense		764	1,954
(Loss)/ profit for the year		(577,190)	(104,731)
Other comprehensive income			
<i>Items that will not be reclassified to profit or loss</i>			
Re-measurement(losses)/ gains on defined benefit plans(net of tax)		5,653	(2,857)
Other comprehensive (loss)/ income for the year, net of tax		5,653	(2,857)
Total comprehensive (loss)/ income for the year		(571,537)	(107,588)
Earnings per equity share			
Basic earnings per equity share (Rs.)	28	(9.20)	(1.67)
Diluted earnings per equity share (Rs.)	28	(9.20)	(1.67)
Nominal value per equity share (Rs.)		10	10

The above statement of profit and loss should be read in conjunction with the accompanying notes.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No.: 304026E/E-300009

Sd/-
Charan S. Gupta
Partner
Membership No. 093044

Place : Gurugram
Date : May 31, 2021

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

Sd/-
Sonia Prashar
Director
DIN: 06477222
Place: New Delhi

Sd/-
Shivangi Negi
Chief Financial Officer
Place: Noida

Date : May 31, 2021

Sd/-
Paremal Narayanan Vinod
Managing Director
DIN: 08803466
Place: Mumbai

Sd/-
Swati Surhatia
Company Secretary
Place: New Delhi

Statement of changes in equity for the year ended March 31, 2021

(All amounts "Rs. in '000" unless otherwise stated)

A. Equity share capital

Particulars	Notes	Amount
At 01 April 2019	11 (a)	627,150
Change in equity share capital		-
At 31 March 2020		627,150
Change in equity share capital		-
At 31 March 2021		627,150

B. Other Equity

Particulars	Notes	Reserves & surplus	Total
		Retained earnings	
Balance as at 01 April 2019	11 (b)	322,218	322,218
Profit / (loss) for the year	11 (b)	(104,731)	(104,731)
Other comprehensive income :			
Remeasurements of post-employment benefit obligation, net of tax	11 (b)	(2,857)	(2,857)
Balance as at 31 March 2020		214,630	214,630
Profit / (loss) for the year	11 (b)	(577,190)	(577,190)
Other comprehensive income :			
Remeasurements of post-employment benefit obligation, net of tax	11 (b)	5,653	5,653
Balance as at 31 March 2021		(356,907)	(356,907)

The above statement of changes in equity should be read in conjunction with the accompanying notes.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No.: 304026E/E-300009

Sd/-
Charan S. Gupta
Partner
Membership No. 093044

Place : Gurugram
Date : May 31, 2021

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

Sd/-
Sonia Prashar
Director
DIN: 06477222
Place: New Delhi

Sd/-
Shivangi Negi
Chief Financial Officer
Place: Noida

Date : May 31, 2021

Sd/-
Paremal Narayanan Vinod
Managing Director
DIN: 08803466
Place: Mumbai

Sd/-
Swati Surhatia
Company Secretary
Place: New Delhi

Cash Flow Statement for the year ended March 31, 2021

(All amounts "Rs. in '000" unless otherwise stated)

PARTICULARS	Notes	Year ended 31-Mar-2021	Year ended 31-Mar-2020
Cash flow from operating activities			
(Loss)/ Profit before income tax		(576,426)	(102,777)
Adjustments for			
Depreciation and amortisation expense	21 (a)	20,039	28,278
Impairment loss on Property, Plant and Equipment and intangible assets	21 (b)	142,436	-
Net (Gain)/ Loss on disposal of property, plant and equipment (net)	17(b), 22	(2,052)	806
Net gain/(loss) on financial assets measured at fair value through profit and loss	17 (b)	(10,745)	(19,281)
Gain on termination of lease	17 (b)	(101)	-
Interest income on financial assets measured at amortised cost	17 (a)	(20,889)	(28,526)
Finance costs	23	6,409	124
Capital work in progress (LPG Project) written off	22	3,133	-
Provision for obsolete stores & spares and packing material/ (written back)	17(b), 22	13,950	(115)
Liabilities and provision no longer required written back	17 (b)	(6)	-
Loss allowance / (written back)	17(b), 22	2,147	1,267
Net exchange differences	17 (b)	34	45
Changes in operating assets and liabilities			
(Increase)/ decrease in inventories		9,034	78,921
(Increase)/ decrease in trade receivables		3,080	161,194
(Increase)/ decrease in other financial asset		96	1,961
(Increase)/ decrease in other non-current assets		(12,319)	1,505
(Increase)/ decrease in other current assets		15,234	(12,386)
Increase/ (decrease) in trade payables		(9,136)	(49,585)
Increase/ (decrease) in other financial liabilities		20,796	(801)
Increase/ (decrease) in provisions		35,186	(349)
Increase/(decrease) in employee benefit obligations		(1,979)	(353)
Increase/ (decrease) in other current liabilities		21,088	(4,599)
Cash (used in)/ generated from operations		(340,991)	55,329
Income taxes paid/(refund received)		1,181	(5,791)
Net cash (used in)/ outflow from operating activities		(342,172)	61,120
Cash flow from investing activities			
Payments for property, plant and equipment		(205)	(28,264)
Proceeds from sale of property, plant and equipment		281	864
Proceeds from sale of investments		193,312	30,000
Repayment of loans by employees and security deposits refunded		1,496	(457)
Interest received		24,152	30,952
Fixed deposits with maturity of more than three months but less than twelve months		140,803	(105,000)
Deposits made with original maturity of more than twelve months		-	10,000
Net cash outflow from / (used in) investing activities		359,839	(61,905)

(All amounts "Rs. in '000" unless otherwise stated)

PARTICULARS	Notes	Year ended 31-Mar-2021	Year ended 31-Mar-2020
Cash flow from financing activities			
Principal elements of lease payment		(589)	(348)
Interest paid		(6,034)	(124)
Net cash (used in)/ outflow from financing activities		(6,623)	(472)
Net (decrease)/ increase in cash and cash equivalents		11,044	(1,257)
Cash and cash equivalents at beginning of the year		9,259	10,516
Cash and cash equivalents at end of the year [Refer Note 9 (c)]		20,303	9,259
Non-cash financing and investing activities			
- Acquisition of right-of-use assets	3(b)	-	2,560

1. The above cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS) 7 "Statement of Cash flows".
2. Figures in brackets indicate cash outflow.

The above cash flow statement should be read in conjunction with the accompanying notes.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No.: 304026E/E-300009

Sd/-
Charan S. Gupta
Partner
Membership No. 093044

Place : Gurugram
Date : May 31, 2021

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

Sd/-
Sonia Prashar
Director
DIN: 06477222
Place: New Delhi

Sd/-
Shivangi Negi
Chief Financial Officer
Place: Noida

Date : May 31, 2021

Sd/-
Paremal Narayanan Vinod
Managing Director
DIN: 08803466
Place: Mumbai

Sd/-
Swati Surhatia
Company Secretary
Place: New Delhi

Notes to financial statements for the year ended March 31, 2021

Company Background

Insilco Limited (the 'Company') is a subsidiary of Evonik Operations GmbH, Germany (formerly known as Evonik Degussa GmbH). The Company is domiciled in India and its registered office is located at A-5, UPSIDC Industrial Estate, Bhartiagram, Gajraula, Uttar Pradesh. The Company is a public company and is incorporated under the provisions of the Companies Act, 1956. Its shares are listed on Bombay Stock Exchange. The Company is engaged in the manufacturing and selling of precipitated silica. Insilco produces different grades of precipitated silica, catering to the requirements of customers in different industries. Also refer Note 33.

The financial statements were approved and authorized for issue with a resolution of the Company's Board of Directors on May 31, 2021.

Note 1: Significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation

(i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015, as amended] and other relevant provisions of the Act.

In view of matter described in note 33, the Board of Directors are of the view that the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate and therefore, the financial statements for the year ended March 31, 2021 have not been prepared on a going concern basis. The Company management has assessed carrying value of assets and liabilities and based on current estimates, certain adjustments have been made in the books of account during the year ended March 31, 2021 which are described in Note 36.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- Certain financial assets and liabilities that is measured at fair value;
- Defined benefit plans – plan assets measured at fair value

(iii) New and amended standards adopted by the Company

The Company has the following standards and amendments for the first time for their annual reporting period commencing April 1, 2020:

- Definition of Material – amendments to Ind AS 1 and Ind AS 8
- Definition of a Business – amendments to Ind AS 103
- COVID-19 related concessions – amendments to Ind AS 116
- Interest Rate Benchmark Reform – amendments to Ind AS 109 and Ind AS 107

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

(b) Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle, or
- Held primarily for the purpose of trading, or
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle, or

- It is held primarily for the purpose of trading, or
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The Operating cycle is the time between acquisition of assets for processing and their realization in cash and cash equivalents. The Company has determined its operating cycle as twelve months.

(c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. Refer note 31.

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Indian Rupee (INR), which is Insilco Limited's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in the statement of profit and loss. They are deferred in equity if they relate to qualifying cash flow hedges.

All foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Transaction differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognized in other comprehensive income.

(e) Revenue recognition

Sale of goods

Timing of recognition: The Company manufactures and sells precipitated silica. Sales are recognized when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

Measurement of revenue: Revenue from sales is based on the price specified in the sales contracts, net of estimated volume discounts, rebates, cash discounts, and value added taxes, Goods and Service Tax and returns at the time of sale. No element of financing is deemed present as the sales are made with a credit term of 30 to 90 days, which is consistent with market practice.

A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

Sale of services

The Company provides freight services for export transactions after transferring the control of goods. Revenue from providing services is recognized over the period of services rendered.

(f) Government grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Government grants relating to income are

deferred and recognized in the statement of profit and loss over the period necessary to match them with costs that they are intended to compensate and presented with other income.

(g) Income Taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and loss) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in the statement of profit and loss, except to the extent that it related to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

(h) Leases

As a lessee

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentive receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Company under residual value guarantees
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a built-up approach that starts with a risk-free interest rate adjusted for credit risk for lease held by the Company, which does not have recent third party financing, and

- makes adjustments specific to the lease, e.g. term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated short-term leases of equipment and all leases of low value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

(i) Impairment of assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

The Company bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Company's cash-generating units to which the individual assets are allocated.

Impairment losses are recognized in the statement of profit and loss. After impairment depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

Refer Note 36

(j) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(k) Trade receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

(l) Inventories

Raw materials, stores and spares and packing materials are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of raw materials, stores and spares and packing materials is determined on a weighted average basis.

Work-in-progress and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity. Cost is determined on a weighted average basis.

Cost of inventories include all other costs incurred in bringing inventories to their present location and condition. Cost of purchased inventory are determined after deducting rebates and discounts.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

(m) Non-current assets held for sale

Non-current assets (or disposal group) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognized for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognized for any subsequent increase in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the non-current asset (or disposal group) is recognized at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortized while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognized.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

(n) Investments and other financial assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- Those measured at amortized cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in the statement of profit and loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Recognition

Regular way purchases and sales of financial assets are recognized on trade-date, the date on which the Company commits to purchase or sale the financial asset.

(iii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit and loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt Instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- **Amortized cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a

debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in the statement of profit and loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

- **Fair value through other comprehensive income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in the statement of profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to the statement of profit and loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gain and losses are presented in other gains and losses and impairment expenses in other expenses.
- **Fair value through profit or loss:** Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognized in the statement of profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

The Company subsequently measures all equity investments at fair value. Where the Company has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to the statement of profit and loss. Dividends from such investments are recognized in the statement of profit and loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognized in other gain/ (losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iv) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 30 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

For recognition of impairment loss on other financial assets, the Company assesses whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. For assessing increase in credit risk and impairment loss, the Company assesses the credit risk characteristics on instrument-by-instrument basis. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL. The amount of expected credit loss (or reversal) for the period is recognized as expense/income in the statement of profit and loss.

(v) Derecognition of financial assets

A financial asset is derecognized only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where an asset has been transferred, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

(vi) Income recognition

Interest is recognized using the effective interest rate (EIR) method, as income for the period in which it occurs. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

(o) Derivatives and hedging activities

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated.

The Company designates their derivatives as hedges of foreign exchange risk associated with the cash flows of firm commitments (cash flow hedges).

The Company documents at the inception of the hedging transaction the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset changes in cash flows of hedged items. The Company documents its risk management objective and strategy for undertaking various hedge transactions at the inception of each hedge relationship.

The full fair value of a hedging derivative is classified as a non-current asset or liability when the remaining maturity of the hedged item is more than 12 months; it is classified as a current asset or liability when the remaining maturity of the hedged item is less than 12 months. Trading derivatives are classified as a current asset or liability.

(i) Cash flow hedges that qualify for hedge accounting

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in the other comprehensive income in cash flow hedging reserve within equity, limited to the cumulative change in fair value of the hedged item on a present value basis from the inception of the hedge. The gain or loss relating to the ineffective portion is recognized immediately in the statement of profit and loss, within other gains/(losses).

The entity designates the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains and losses relating to the effective portion of the change in fair value of the entire forward contract are recognized in the cash flow hedging reserve within equity.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss of hedging in equity at that time remains in equity until the forecast transaction occurs. When the forecast transaction is no longer expected to occur, the cumulative gain or loss of hedging that were reported in equity are immediately reclassified to the statement of profit and loss within other gains/(losses).

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for in the statement of profit and loss at the time of the hedge relationship rebalancing.

(ii) Embedded derivatives

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

Embedded foreign currency derivatives

Embedded foreign currency derivatives are not separated from the host contract if they are closely related. Such embedded derivatives are closely related to the host contract, if the host contract is not leveraged, does not contain any option feature and requires payments in one of the following currencies.

- the functional currency of any substantial party to that contract,

- the currency in which the price of the related good or service that is acquired or delivered is routinely denominated in commercial transactions around the world.
- a currency that is commonly used in contracts to purchase or sell non-financial items in the economic environment in which the transaction takes place(i.e. relatively liquid and stable currency)

Foreign currency embedded derivatives which do not meet the above criteria are separated and the derivative is accounted for at fair value through profit and loss.

(p) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(q) Property, plant and equipment (PPE)

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to the statement of profit and loss during the reporting period in which they are incurred.

Transition to Ind AS

On transition to Ind AS, the Company had elected to continue with the carrying value of all of its property, plant and equipment recognized as at April 1, 2016 measured as per the Previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives and residual value

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives, which are as follows:

Particulars	Useful life as estimated by management (Years)	Useful life as per Schedule II (Years)
Factory building	30	30
Non- Factory Building:		
- RCC frame*	37	60
- Other than RCC frame	30	30
- Tube well	5	5
- Carpet road-other than RCC	5	5
Electrical Installation and Fittings*	5	10
Air conditioner*	5	10
Computers:		
- Server/Network*	4	6
- End user devices, desktop, laptop etc.	3	3
Office Equipment*	5	10
Furniture and Fixture	10	10
Vehicles*	5	8
Plant and Machinery :		
- Shift base	7.5-15	7.5-15
- Continuous process	25	25

Particulars	Useful life as estimated by management (Years)	Useful life as per Schedule II (Years)
- Reactors/storage tanks/vessels etc.	20	20
- Workshop equipment	15	15
- Laboratory equipments	7.5	7.5
- Components of Plant & machinery	1-25	(As estimated by the management)

Leasehold land is amortized on straight line basis over the period of lease i.e. 90 years.

* The Company has, based on a technical review and re-assessment by the management, decided to adopt the existing useful life for certain asset blocks which is lower as against the useful life recommended in Schedule II of the Companies Act, 2013, since the Company believes that the estimates followed are reasonable and appropriate, considering current usage and geographical location of such assets.

The residual values are not more than 5% of the original cost of the asset. The asset's residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of profit and loss within other gains/losses).

Refer Notes 3a and 36

(r) Investment properties

On transition to Ind AS, the Company had elected to continue with the carrying value of all of its investment properties recognized as at April 1, 2016 measured as per the Previous GAAP and use that carrying value as the deemed cost of investment properties.

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the company is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowings costs. Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized. Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition. Transfers to or from investment property is made when and only when there is a change in use.

(s) Intangible assets

On transition to Ind AS, the Company had elected to continue with the carrying value of all of intangible assets recognized as at April 1, 2016 measured as per the Previous GAAP and use that carrying value as the deemed cost of intangible assets.

Intangible assets acquired separately are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses.

Software (not being an integral part of the related hardware) acquired for internal use, is stated at cost of acquisition less accumulated amortization and impairment losses if any.

An item of Intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

Amortisation methods and periods

The Company amortises intangible assets with a finite useful life using the straight-line method over the following period:

Computer software : 3 years

Refer Notes 5 and 36

(t) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. The amounts are unsecured and are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

(u) Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in the statement of profit and loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(v) Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are expensed in the period in which they are incurred.

(w) Provisions and contingent liabilities

Provisions are recognized when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

Contingent Liabilities: Contingent liabilities are disclosed when:

- there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company, or
- a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Contingent assets: Contingent assets are disclosed when the inflow of economic benefit is probable.

(x) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Normally at initial recognition, the transaction price is the best evidence of fair value.

However, when the Company determines that transaction price does not represent the fair value, it uses inter-alia valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All financial assets and financial liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy. This categorization is based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Financial assets and financial liabilities that are recognized at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization at the end of each reporting period.

(y) Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefits obligations

The liabilities for earned leave, sick leave and long term service award are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognized in the statement of profit and loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

- Defined benefit plans such as gratuity
- Defined contribution plans such as provident fund, superannuation and national pension scheme

Defined benefit plans

The liability or asset recognised in the balance sheet in respect of gratuity plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in the statement of profit and loss as past service cost.

Defined contribution plans

- Provident Fund:

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service, in the statement of profit and loss.

- Superannuation:

The Company has taken group policy with Life Insurance Corporation of India (LIC) to fund its liability towards employee's superannuation. Superannuation fund is administered by LIC and contributions made

to the fund are recognized as expenditure in the statement of profit and loss. The Company has no further obligations under the plan beyond its monthly contributions.

- **National Pension Scheme:**

The Company has registered under the National Pension Scheme to provide postretirement benefit to employees. This is an optional scheme available to employees. The Company has no further obligations under the plan beyond its monthly contributions, which is recognized as expenditure when made, in the statement of profit and loss.

- **Bonus Plan**

The Company recognizes a liability and an expense for bonuses. The Company recognize a provision where contractually obliged or where there is a past practice that has created a constructive obligation. Also refer Note 13.

- **Termination benefits**

Termination benefits are payable when employment is terminated by the company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The company recognize termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the entity recognizes costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer.

(z) Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown as a deduction, net of tax, from the proceeds.

(aa) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- The net profit or loss for the period attributable to equity shareholders
- by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(bb) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousand as per the requirement of Schedule III, unless otherwise stated.

Note 2: Critical estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

Critical estimates and judgements

The areas involving critical estimates and judgements are:

- Estimation of useful life and residual values of property, plant and equipment – Note 3(a)

- Classification of property, plant and equipment as non-current assets – Note 3(a)
- Impairment of property, plant and equipment and intangible assets– Notes 3(a), 5 and 36
- Determination of lease term – Note 3(b)
- Impairment of Right of Use asset – Notes 3(b), 35 and 36
- Fair value of investment properties – Note 4
- Fair value of investment in mutual funds – Note 9(a)
- Impairment of trade receivables – Note 9(b)
- Estimation of defined benefit obligation - Note 13(a) and 13(b)
- Estimation of provision for waste disposal – Note 12(d)
- Provision for litigations and contingent liabilities – Notes 12 (d) and 26
- Recognition of deferred tax assets and liabilities and tax expense – Notes 14 and 24
- Preparation of financial statements not on a going concern – Note 33 and 36
- Estimation of amount payable to employees under retention agreement – Note 13
- Recognition of transfer levy charges and interest thereon – Note 35

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Notes to financial statements for the year ended March 31, 2021
Note 3(a) : Property, Plant and Equipment

(All amounts "Rs. '000" unless otherwise stated)

Particulars	Lease Hold Land	Building	Plant & Machinery	Furniture & Fixtures	Vehicles	Office Equipments	Electrical Installation & Fittings (including AC)	Computers	Total	Capital work in progress
Year ended 31 March, 2020										
Gross carrying amount	12,776	75,633	168,105	1,810	5,724	3,652	6,363	4,930	278,993	9,604
Adjustment for change in accounting policy refer note 34	12,776	-	-	-	-	-	-	-	12,776	-
Restated gross carrying amount	-	75,633	168,105	1,810	5,724	3,652	6,363	4,930	266,217	9,604
Additions	-	10,898	16,084	-	-	397	530	711	28,620	22,603
Disposals	-	192	1,755	-	720	276	205	491	3,639	-
Transfer to PPE	-	-	-	-	-	-	-	-	-	27,036
Closing gross carrying amount	-	86,339	182,434	1,810	5,004	3,773	6,688	5,150	291,198	5,171
Accumulated depreciation and impairment										
Opening accumulated depreciation and impairment	588	14,552	34,897	920	3,050	1,436	535	2,281	58,259	-
Adjustment for change in accounting policy refer note 34	588	-	-	-	-	-	-	-	588	-
Restated accumulated depreciation	-	14,552	34,897	920	3,050	1,436	535	2,281	57,671	-
Depreciation charge for the year	-	5,515	18,017	306	1,013	683	287	1,210	27,031	-
Disposals	-	175	924	-	521	166	100	110	1,986	-
Closing accumulated depreciation and impairment	-	19,892	51,990	1,226	3,542	1,953	722	3,381	82,706	-
Net carrying amount	-	66,447	130,444	584	1,462	1,820	5,966	1,769	208,492	5,171
Year ended 31 March 2021										
Gross carrying amount	-	86,339	182,434	1,810	5,004	3,773	6,688	5,150	291,198	5,171
Additions	-	-	348	-	-	146	-	-	494	-
Disposals	-	-	3,311	77	-	487	260	51	4,166	472
Transfer to Inventory	-	-	-	-	-	-	-	-	-	316
Write off during the year	-	-	-	-	-	-	-	-	-	1,250
Closing gross carrying amount	-	86,339	179,471	1,733	5,004	3,432	6,428	5,099	287,506	-
Accumulated depreciation and impairment										
Opening accumulated depreciation and impairment	-	19,892	51,990	1,226	3,542	1,953	722	3,381	82,706	-
Adjustment for change in accounting policy refer note 34	-	4,205	171	-	551	480	220	610	19,047	-
Depreciation charge for the year	-	2,865	11,172	46	1,172	349	150	47	3,457	-
Disposals	-	-	84,480	224	389	1,172	2,798	967	142,320	-
Impairment loss during the year	-	52,290	84,480	224	389	1,172	2,798	967	142,320	-
Closing accumulated depreciation and impairment	-	76,387	146,415	1,575	4,482	3,256	3,590	4,911	240,616	-
Net carrying amount	-	9,952	33,056	158	522	176	2,838	188	46,890	-

 (i) **Estimation of useful life and residual values of property, plant and equipment, Classification and Impairment of property, plant and equipment**

In view of shut down of Company's operations and proposed voluntary liquidation of the Company as described in Note 33 and 36, the Company's management has estimated that the Property plant and equipment do not have value from its use in the Company's operations. Accordingly, Management has estimated the recoverable amount of assets by assessing the fair value less cost of disposal. The Company engaged an external valuation expert to evaluate recoverable amount of the Property, plant and equipment and considered recoverable amount of assets based on valuation as of December 31, 2020 as per the valuation report dated February 6, 2021. The carrying amount of the Property, plant and equipment of the Company has been reduced to its recoverable amount by recognition of an impairment loss aggregating to Rs. 142,320 ('000). The Company's management obtained a further valuation report as of March 31, 2021 from the external valuation expert which did not indicate any significant deviation from its earlier estimate. The valuer in its report considered the liquidation value approach appropriate in the circumstances to estimate the recoverable amount of the assets. The basis for liquidation value approach considers the amount that would be realized when an asset or groups of assets are sold on a piecemeal basis that is without consideration of benefits (or detriments) associated with a going-concern business. A forced sale basis transaction with a shortened marketing period is considered for this valuation where the tangible assets are sold quickly, often for an extremely low percentage of their original cost. The aggregated impairment loss (including on intangible assets) recognised has been disclosed as a separate line item in statement of profit and loss, refer note 21(b). The valuation is considered to be level 3 in the fair value hierarchy due to unobservable inputs used in the valuation. Refer note 36 for assumptions used in estimating recoverable amounts of the Property, plant and equipment. The carrying value of assets have been reduced to its recoverable amounts and residual value of assets are equal to or greater than the asset's revised carrying values after impairment loss based on the Company's management estimate. Accordingly, in view of the Company's management depreciation on the assets is not expected to be material and hence no depreciation has been provided for subsequent to recognition of impairment loss. However, any further impairment loss that may arise on account of change in estimates will be recognised based on evaluation of recoverable amounts of assets on a periodic basis.

Further, pending necessary approvals of the proposed voluntary liquidation of the Company by the shareholders of the Company, the Company management has not yet commenced process of actively marketing for sale at a price that is reasonable in relation to its current fair value and the sale is not expected to be completed within one year from the date of the Balance sheet. Accordingly, the Property, plant and equipments are continued to be classified as non-current at this stage.

 (ii) **Contractual obligation**

Refer to Note 27 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

 (iii) **Capital work-in-progress**

Capital work-in-progress mainly comprised of expenditure towards the Propane LPG Project at Gajraula Plant as at March 31, 2020. [Also refer note 26 (d)].

(All amounts "Rs. in '000" unless otherwise stated)

Note 3(b) : Leases

This note provides information for leases where the Company is a lessee. The Company had taken land on lease from Uttar Pradesh State Industrial Development Corporation(UPSIDC) for a period of 90 years. The office lease taken from November 1, 2019 for a period of 3 years has been terminated during the year.

(i) Amount recognised in balance sheet
Right-of-use assets

	Lease hold land	Building	Total
Year ended 31 March 2020			
Gross carrying amount			
Opening gross carrying amount *	12,776	-	12,776
Additions	-	2,908	2,908
Disposals	-	-	-
Closing gross carrying amount	12,776	2,908	15,684
Accumulated depreciation			
Opening accumulated depreciation*	588	-	588
Depreciation charge for the year	183	403	586
Disposals	-	-	-
Closing accumulated depreciation	771	403	1,174
Net carrying amount	12,005	2,505	14,510
Year ended 31 March 2021			
Gross carrying amount			
Opening gross carrying amount	12,776	2,908	15,684
Additions	-	-	-
Disposal	-	2,908	2,908
Closing gross carrying amount	12,776	-	12,776
Accumulated amortisation			
Opening accumulated amortisation	771	403	1,174
Amortisation charge for the year	183	624	807
Disposals	-	1,027	1,027
Closing accumulated depreciation	954	-	954
Net carrying amount	11,822	-	11,822

* Adjustment for change in accounting policy during the previous year refer note 34

	Notes	31-Mar-21	31-Mar-20
Lease Liabilities			
Current		3	912
Non Current		94	1740
Total	12 (a)	97	2,652

* Till March 31, 2019, the Company only recognised lease assets and lease liabilities in relation to leases that were classified as 'finance leases' under Ind AS 17, Leases. The assets were presented in property, plant and equipment and the liabilities as part of Company's borrowings. For adjustments recognised on adoption of Ind AS 116 on April 1, 2019, please refer to note 34.

(All amounts "Rs. in '000" unless otherwise stated)

(ii) Amount recognised in the statement of profit and loss

	Notes	31-Mar-21	31-Mar-20
Depreciation charge of lease			
Land		183	183
Building		624	403
Total	21 (a)	807	586
Interest expenses (included in finance cost)			
Land		3	3
Building		13	121
Total	23	16	124

The total cash outflow for the leases for the year ended March 31, 2021 was Rs. 589 (March 31, 2020 Rs. 472).

Residual value guarantees

No residual guarantees have been provided in respect of any lease.

Critical judgements in evaluating impairment loss on Right of use assets

Right of use assets (ROU) relating to leasehold land have been carried at cost as no loss is expected based on valuation report of an external independent valuer. Refer note 36(b).

Note 4 : Investment properties

Particulars	31-Mar-21	31-Mar-20
Gross carrying amount		
Opening gross carrying amount	104	104
Closing gross carrying amount	104	104
Accumulated depreciation		
Opening accumulated depreciation	-	-
Closing accumulated depreciation	-	-
Net carrying amount	104	104

(i) Amounts recognised in the statement of profit or loss for investment properties

The Company has not recognised any amount related to investment properties in the Statement of Profit and Loss for the year ended March 31, 2021 and the year ended March 31, 2020.

(ii) Fair Value

	31-Mar-21	31-Mar-20
Investment property	1,604	2,083

Estimation of Fair value :

The Company obtains independent valuation for its investment property at least annually. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Company consider information from a variety of sources including:

- current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences
- discounted cash flow projections based on reliable estimates of future cash flows
- capitalised income projections based upon a property's estimated net market income, and a capitalisation rate derived from an analysis of market evidence

The fair values of investment properties have been determined based on valuation report of an external independent valuer.

(All amounts "Rs. in '000" unless otherwise stated)

Sales Comparison Method/ Market Survey Method under Market Approach is used to estimate the market value of the land. The prevailing market rates for similar size plots in the same locality is considered after enquiries being done from local property dealers and real estate agents. The rates adopted are based on the geographical location, land size & availability of similar size of land in that vicinity. Further, due consideration has also been given to the various factors, e.g. market rates/ marketability of the Land in the vicinity, recent property deals/transactions, negotiation skills of the buyer/seller, demand and supply of properties, locality, neighborhood, civic amenities, its connectivity to major centers etc., shape, size, prominence, plot area and topography etc., Need/ Urgency of the seller to sell the said property, subject to suitability, accuracy, requirement and professional judgement.

In view of shut down of Company's operations and proposed voluntary liquidation of the Company as described in Note 33 and 36, the liquidation values of the assets have been considered while making the fair value estimates, applying liquidation discount as per market norms and expertise. Valuation assumes that the Company will not be a going concern. The valuation is considered to be level 3 in the fair value hierarchy due to unobservable inputs used in the valuation.

Note 5 : Other intangible assets

Particulars	Software	Total
Year ended 31 March 2020		
Gross carrying amount		
Opening gross carrying amount	2,131	2,131
Additions	-	-
Disposal	40	40
Closing gross carrying amount	2,091	2,091
Accumulated amortisation and impairment		
Opening accumulated amortisation and impairment	1,142	1,142
Amortisation charge for the year	661	661
Disposals	13	13
Closing accumulated depreciation and impairment	1,790	1,790
Net carrying amount	301	301
Year ended 31 March 2021		
Gross carrying amount		
Opening gross carrying amount	2,091	2,091
Additions	-	-
Disposal	-	-
Closing gross carrying amount	2,091	2,091
Accumulated amortisation and impairment		
Opening accumulated amortisation and impairment	1,790	1,790
Amortisation charge for the year	185	185
Disposals	-	-
Impairment loss	116	116
Closing accumulated depreciation and impairment	2,091	2,091
Net carrying amount	-	-

The Company's management has estimated that the intangible assets do not have value from its use in the Company's operations. The carrying amount of the intangible assets has been reduced to its recoverable amount, i.e. Nil by recognition of an impairment loss aggregating to Rs.116 ('000). This loss has been disclosed in note 21(b) in the statement of profit and loss.

(All amounts "Rs. in '000" unless otherwise stated)

Note 6 : Financial assets**Note 6(a) : Loans**

Particulars	31-Mar-21		31-Mar-20	
	Current	Non-current	Current	Non-current
Loan to employees	195	227	1,094	436
Security deposits	15	7,263	402	7,264
Less: Loss allowance	-	(147)	-	(103)
Total loans	210	7,343	1,496	7,597

Break-up of security details

Particulars	31-Mar-21	31-Mar-20
Loans considered good - unsecured	7,700	9,196
Total	7,700	9,196
Less: Loss allowance	(147)	(103)
Total loans	7,553	9,093

Note 6(b) : Other financial assets

Particulars	31-Mar-21		31-Mar-20	
	Current	Non-current	Current	Non-current
Long term deposit with bank with original maturity period more than 12 months *	-	-	-	1,000
Interest accrued on fixed deposits with banks	5,350	-	8,529	-
Interest accrued on security deposits	460	-	443	-
Government grant receivable	84	-	180	-
Less : Loss allowance	(84)	-	-	-
Total other financial assets	5,810	-	9,152	1,000

* The Company has given a fixed deposit of Rs.1,000 ('000) against a bank guarantee of Rs. 1,000 ('000) to UP Pollution Control Board. Therefore, there is restriction to use these funds. Refer Note 9(d)

Note 7 (a) : Other non-current assets

Particulars	31-Mar-21	31-Mar-20
Deferred employee cost	11	72
Balance with government authorities	12,717	331
Less: Loss allowance	(1,452)	-
Prepayment	42	48
Total other non-current assets	11,318	451

Note 7 (b) : Non-current income tax assets (net)

Particulars	31-Mar-21	31-Mar-20
Advance income taxes paid #	8,937	10,474
Total non-current income tax assets (net)	8,937	10,474
# Net of provision	10,280	10,073

(All amounts "Rs. in '000" unless otherwise stated)

Note 8 : Inventories

Particulars	31-Mar-21	31-Mar-20
Raw materials	-	7,129
Stores and spares	4,963	19,567
Total inventories	4,963	26,696

Amounts recognised in the statement of profit and loss

Write-down of inventories to net realizable value amounted to Rs. Nil ('000) [March 31, 2020 - Rs. 24,471 ('000)]. These were recognized as an expense during the year and included in 'changes in value of inventories of work-in-progress and finished goods' Rs. Nil ('000) [March 31, 2020 - Rs. 5,820 ('000)], 'cost of material consumed Rs. Nil ('000) [March 31, 2020- Rs. 16,036 ('000)] 'Other expense' Rs. Nil ('000) [March 31, 2020- Rs. 2,616 ('000)] in statement of profit and loss.

Inventories are net of provision for obsolete inventory amounting to Rs. 23,065 ('000) [March 31, 2020- Rs. 9,115 ('000)] including Rs. 12,988 ('000) provided based on independent valuer report, refer note 36. This has been recognized as an Expense during the year and included in 'other expense' Rs. 13,950 ('000) [March 31, 2020 - 'Other gains/(losses)- (net)' Rs. 115 ('000)] in statement of profit and loss.

Note 9 (a) : Current Investments

Particulars	31-Mar-21	31-Mar-20
Investment in mutual funds		
Unquoted		
Nil (31 March 2020: 1,594,848) units of Rs. 10 each of Franklin India Government Securities Fund - Long Term Plan - Direct	-	77,632
Nil (31 March 2020: 1,209,974) units of Rs. 10 each of DHFL Pramerica Gilt Fund -Direct Plan - Growth	-	28,041
Nil (31 March 2020: 1,311,009) units of Rs. 10 each of Canara Robeco Gilt PGS -Direct Growth -GL-DG	-	76,894
Total	-	182,567
Total current investments	-	182,567
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	-	182,567
Aggregate amount of impairment in the value of investments	-	-

Note 9 (b) : Trade receivables

Particulars	31-Mar-21	31-Mar-20
Trade receivables	1,698	4,823
Less: Loss allowance	(1,698)	(1,702)
Total receivables	-	3,121
Current portion	-	3,121
Non-current portion	-	-
Break-up of security details		
Trade receivables considered good - Secured	-	151
Trade receivables considered good - Unsecured	1,698	4,672
Total	1,698	4,823
Less : Loss allowance	(1,698)	(1,702)
Total trade receivables	-	3,121

(All amounts "Rs. in '000" unless otherwise stated)

Note 9 (c) : Cash and cash equivalents

Particulars	31-Mar-21	31-Mar-20
Balances with banks		
- in current accounts*	20,272	9,099
Cash on hand	31	160
Total cash and cash equivalents	20,303	9,259

* including sweep fixed deposit with banks.

Note 9 (d) : Other bank balances

Particulars	31-Mar-21	31-Mar-20
Deposits with original maturity of more than three months but less than twelve months	249,197	390,000
Deposits with original maturity of more than twelve months*	1,000	-
Total other bank balances	250,197	390,000

* The Company has given a fixed deposit of Rs.1,000 ('000) against a bank guarantee of Rs. 1,000 ('000) to UP Pollution Control Board. Therefore, there is restriction to use these funds. Refer Note 6(b)

Note 10 : Other current assets

Particulars	31-Mar-21	31-Mar-20
Unsecured, considered good unless otherwise stated		
Advances to suppliers - considered good	51	4,991
Advance recoverable from related parties [Refer note 25 (f)]	-	70
Advances to suppliers - considered doubtful	978	978
Less: Allowance for doubtful advances	(978)	(978)
Prepayments	3,566	5,736
Advance to employee	586	-
Less: Allowance for doubtful advances	(571)	-
Deferred employee cost	17	73
Balances with statutory/ government authorities	-	8,584
Total other current assets	3,649	19,454

Note 11: Equity share capital and other equity**11 (a) Equity share capital**

Authorised equity share capital

Particulars	Number of shares	Amount
As at 1 April 2019	65,715,000	657,150
Increase during the year	-	-
As at 31 March 2020	65,715,000	657,150
Increase during the year	-	-
As at 31 March 2021	65,715,000	657,150
(i) Movement in equity share capital (issued, subscribed and paid up)		
As at 1 April 2019	62,715,000	627,150
Increase during the year	-	-
As at 31 March 2020	62,715,000	627,150
Increase during the year	-	-
As at 31 March 2021	62,715,000	627,150

(All amounts "Rs. in '000" unless otherwise stated)

(ii) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to vote. Dividend if declared, then paid in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iii) Shares of the Company held by Holding Company

Particulars	Number of shares	
	31-Mar-21	31-Mar-20
Evonik Operations GmbH (formerly known as Evonik Degussa GmbH), the Holding Company	45,853,315	45,853,315

(iv) Details of shareholders holding more than 5% shares in the Company

Particulars	31-Mar-21		31-Mar-20	
	Number of shares	% holding	Number of shares	% holding
Evonik Operations GmbH (formerly known as Evonik Degussa GmbH), the Holding Company	45,853,315	73.11%	45,853,315	73.11%

11(b) : Reserves and surplus

Particulars	31-Mar-21	31-Mar-20
Retained earnings	(356,907)	214,630
Total reserves and surplus	<u>(356,907)</u>	<u>214,630</u>

Retained Earnings

	31-Mar-21	31-Mar-20
Opening balance	214,630	322,218
Net (loss)/ profit for the year	(577,190)	(104,731)
<i>Items of other comprehensive income recognised directly in retained earnings:</i>		
Remeasurements of post-employment benefit obligation, net of tax	5,653	(2,857)
Closing balance	<u>(356,907)</u>	<u>214,630</u>

Note 12: Financial liabilities**12(a) Net debt reconciliation**

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

Particulars	31-Mar-21	31-Mar-20
Non-current borrowings	-	-
Lease liabilities (see note 3(b))	97	2,652
Net debt	97	2,652

(All amounts "Rs. in '000" unless otherwise stated)

Particulars	Liabilities from financing activities		Total
	Lease obligation	Non-current borrowings	
Net debt as at 1 April 2019	92	-	92
Acquisitions – leases	2,908	-	2,908
Cash flows	(472)	-	(472)
Interest Paid	124	-	124
Net Debts as at 31 March 2020	2,652	-	2,652
Opening Balance as on 1 April 2020	2,652	-	2,652
Deletion - Leases	(1,881)	-	(1,881)
Cash flows	(589)	-	(589)
Interest Paid	16	-	16
Gain on termination of lease	(101)	-	(101)
Net Debts as at 31 March 2021	97	-	97

Finance Lease liabilities

Finance lease liabilities were included in borrowings until March 31, 2019, but were reclassified to lease liabilities on April 1, 2019 in the process of adopting the new leasing standard. See note 34 for further information about the change in accounting policy for lease during the previous year.

12(b) Trade payables

Particulars	31-Mar-21	31-Mar-20
Current		
Total outstanding dues of micro and small enterprises	3	91
Total outstanding dues of creditors other than micro and small enterprises	7,495	16,041
Trade payables to related parties (note 25 (f))	1,361	2,265
Total trade payables	8,859	18,397

Disclosures under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) based on the information available with the Company:

	31-Mar-21	31-Mar-20
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at period end	-	84
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at period end	3	7
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the period	1,249	2,033
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the period	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the period	7	9
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	3	7
Further interest remaining due and payable for earlier years	-	-

(All amounts "Rs. in '000" unless otherwise stated)

12(c) Other financial liabilities

Particulars	31-Mar-21	31-Mar-20
Current		
Employee related liabilities	3,165	3,483
Liability towards employees voluntary retirement scheme (Refer note 37)	22,939	-
Capital creditors	-	28
Security deposits from vendors	95	745
Security deposits from customers	-	1,175
Total other current financial liabilities	26,199	5,431

12 (d) Provisions

Particulars	31-Mar-21	31-Mar-20
Current		
Provision for sales tax matters	157	157
Provision for waste disposal	35,186	-
Total provisions	35,343	157

Movements in provisions

	Waste disposal	Sales Tax cases	Total
As at 1 April 2019	-	506	506
Additional provision recognised	-	-	-
Unused amounts reversed	-	-	-
Amount used during the year	-	(349)	(349)
As at 31 March 2020	-	157	157
As at 1 April 2020	-	157	157
Reclassified from trade payable during the year	2,785	-	2,785
Additional provision recognised	32,401	-	32,401
Unused amounts reversed	-	-	-
Amount used during the year	-	-	-
As at 31 March 2021	35,186	157	35,343

Provision for waste disposal

The Company's Effluent Treatment System generate suspended silica particles which is required to be disposed as per Hazardous and other Wastes (Management and Transboundary Movement) rules, 2016. Due to stoppage of plant since October 26, 2019, accumulated suspended silica particles in terms of sludge in the lagoon of plant is required to be disposed at an estimated cost of INR 32,401 ['000] which has been provided for the books. The provision for waste disposal is based on current estimate of volume of sludge and expected costs of disposal. The Company has not yet received any direction from any authority but expect future cash outflow withing one year from the balance sheet. Actual cost of disposal may differ from the current estimates.

Provision for sales tax matters

Provison is made with respect to sales tax matter under dispute which are pending resolution. These are expected to be settled in the next financial year.

Note 13 : Employee benefit obligations**13 (a) Employee benefit obligations - Non-current**

Particulars	31-Mar-21	31-Mar-20
Long service award (iv)	-	1,018
Rentention bonus/exgratia [refer note 13 (iv) (b)]	1,753	-
Total non-current employee benefit obligations	1,753	1,018

(All amounts "Rs. in '000" unless otherwise stated)

13 (b) : Employee benefit obligations - Current

Particulars	31-Mar-21	31-Mar-20
Compensated absences (i)	2,883	7,140
Long service award (iv)	-	363
Retention bonus/exgratia [refer note 13 (iv) (b)]	1,681	-
Gratuity (ii)	824	6,252
Total current employee benefit obligations	5,388	13,755

(i) Compensated absences

The amount of the provision of Rs. 2,883 ('000) [(March 31, 2020 – Rs. 7,140 ('000)], is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

Particulars	31-Mar-21	31-Mar-20
Leave obligation not expected to be settled within the next 12 months	1,545	6,060

(ii) Post-employment obligations

- Gratuity

Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service. The completion of continuous service of 5 years shall not be applicable for an employee who attains the age of superannuation or normal age of retirement before completion of the continuous service of 5 years. The Company has funded the gratuity liability with Life Insurance Corporation of India (LIC) except in case of certain new employees, whose gratuity liability is unfunded. Rate of return is as given by the insurance Company. The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The reconciliation of opening and closing balances of the present value of the defined benefit obligations are as below:

(a) Present value of defined benefit obligation

Particulars	31-Mar-21	31-Mar-20
Obligations at year beginning	42,985	37,562
Interest expense	2,835	2,823
Current service cost	668	2,227
Past service cost	-	-
(Gains) and losses on curtailment and settlement	-	-
Amount recognised in the statement of profit and loss	668	2,227
Remeasurements		
Actuarial (gain) / loss from change in demographic assumption	(227)	(54)
Actuarial loss/ (gain) from change in financial assumption	(785)	2,234
Experience losses/ (gains)	(4,641)	677
Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling	-	-
Amount recognised in other comprehensive income	(5,653)	2,857
Payment from plan:		
Benefit payments	(29,741)	(2,484)
Settlements	-	-
Addition due to transfer of employee	-	-
Obligations at year end	11,094	42,985

(All amounts "Rs. in '000" unless otherwise stated)

(b) Fair value of plan assets

Particulars	31-Mar-21	31-Mar-20
Plan assets at year beginning, at fair value	36,733	33,017
Interest income	2,423	2,482
Amount recognised in the statement of profit and loss	2,423	2,482
Employer's contribution	4,813	3,520
Benefits paid	(29,506)	(2,286)
Return on plan assets, excluding amount recognised in net interest expense	-	-
Amount recognised in other comprehensive income	-	-
Fair Value of Plan Assets as at the end	14,463	36,733

(c) Assets and liabilities recognised in Balance Sheet

Particulars	31-Mar-21	31-Mar-20
Present value of the defined benefit obligations	11,094	42,985
Fair value of plan assets	14,463	36,733
Net amount recognised as below	3,369	(6,252)
Amount recognised as (liability)/ asset*	(824)	(6,252)
Net balance of fair value of plan assets not recognised**	4,193	-
	3,369	(6,252)

* Current year amount represents obligation with respect to employees not funded with LIC.

** As per the Gratuity Trust Deed there is restriction on transfer of any excess balance in the LIC Fund to the company and such excess balance is required to be utilised by the Trust for the benefits of its members. Therefore, the Company has not recognised the excess of plan assets over obligations amounting to Rs. 4,193 ('000) as asset in its books of accounts as on March 31, 2021. Corresponding adjustment has been made in amounts recognised in profit and loss.

(d) Defined benefit obligations cost for the year recognised in profit and loss

Particulars	31-Mar-21	31-Mar-20
Current service cost	668	2,227
Interest Cost	2,835	2,823
Interest income	(2,423)	(2,482)
Excess of plan assets over obligations not recognised as asset [refer (c) above]	4,193	-
Net defined benefit obligations cost for the year recognised in the statement of profit and loss	5,273	2,568

(e) Defined benefit obligations cost for the year recognised in other comprehensive income

Particulars	31-Mar-21	31-Mar-20
Actuarial (gain) / loss from change in demographic assumption	(227)	(54)
Actuarial loss/ (gain) from change in financial assumption	(785)	2,234
Experience losses/ (gains)	(4,641)	677
Return on plan assets, excluding amount recognised in net interest expense	-	-
Net defined benefit obligations cost for the year recognised in other comprehensive income	(5,653)	2,857

(All amounts "Rs. in '000" unless otherwise stated)

(f) Investment details of plans assets:

Particulars	31-Mar-21	31-Mar-20
LIC of India	100%	100%
Total	100%	100%

In respect of Employees Gratuity Fund, composition of plan assets is not readily available from LIC of India. The expected rate of return on assets is determined based on the assessment made at the beginning of the year on the return expected on its existing portfolio, along with the estimated increment to the plan assets and expected yield on the respective assets in the portfolio during the year.

(g) Actuarial assumptions

The significant actuarial assumptions were as follows:

Particulars	31-Mar-21	31-Mar-20
Discount rate	4.25%	6.60%
Salary growth rate	5.00%	9.00%
Attrition rate:		
Staff	2.00%	6.58%
Technicians	0.00%	1.92%
Mortality rate	IALM 12-14	IALM 12-14
Retirement age	Contracted date*	58 years

* The Company has entered into retention agreement with certain employees and expect that employees will retire on December 31, 2022 except for five employees who retired on April 15, 2021.

The discount rate indicated above reflects the estimated timing and currency of benefit payments. It is based on the yields / rates available on applicable bonds as on the current valuation date.

The salary growth rate indicated above is the Company's best estimate of an increase in salary of the employees in future years, determined considering the general trend in inflation, seniority, promotions, past experience and other relevant factors such as demand and supply in employment market, etc.

(h) Expected contribution to the fund in the next year

Particulars	31-Mar-21	31-Mar-20
Gratuity	-	8,560

(i) Sensitivity analysis

Particulars	31-Mar-21		31-Mar-20	
	Decrease	Increase	Decrease	Increase
Discount rate (- / + 1%)	11,275	10,917	45,687	40,535
(% change compared to base due to sensitivity)	1.6%	-1.6%	6.3%	-5.7%
Salary growth rate (- / + 1%)	10,917	11,272	40,565	45,599
(% change compared to base due to sensitivity)	-1.6%	1.6%	-5.6%	6.1%
Attrition rate (- / + 50% of attrition rate)	11,095	11,093	43,552	42,524
(% change compared to base due to sensitivity)	0.0%	0.0%	1.3%	-1.1%
Mortality rate (- / + 10% of mortality rates)	11,094	11,094	42,996	42,974
(% change compared to base due to sensitivity)	0.0%	0.0%	0.0%	0.0%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to the prior period.

(All amounts "Rs. in '000" unless otherwise stated)

(j) Risk exposure

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory frame work which may vary over time. Thus, the Company is exposed to various risks in providing the above gratuity benefit which are as follows:

Interest rate risk: The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

Liquidity risk: This is the risk that the Company is not able to meet the short-term gratuity payouts. This may arise due to non availability of enough cash / cash equivalents to meet the liabilities or holding of illiquid assets not being sold in time.

Salary escalation risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Demographic risk: The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse as compared to the assumptions.

Asset liability mismatching or market risk: The duration of the liability is longer compared to duration of assets, exposing the Company to market risk for volatilities/ fall in interest rate.

Investment risk: The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Maturity profile of defined benefit obligation

Weighted average duration (based on discounted cash flows) 1 Year

The expected maturity analysis of gratuity (undiscounted) is as follows :

Particulars		1 year	Between 2 - 5 years	Between 6 - 10 years	Over 10 years	Total
Defined benefit obligation	31-Mar-21	3,532	8,228	-	-	11,760
Total		3,532	8,228	-	-	11,760
Defined benefit obligation	31-Mar-20	3,770	22,712	22,795	18,308	67,585
Total		3,770	22,712	22,795	18,308	67,585

(iii) Defined contribution plans

- Provident Fund: Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service.
- Superannuation: The Company has taken group policy with Life Insurance Corporation of India (LIC) to fund its liability towards employee's superannuation. Superannuation fund is administered by LIC and contributions made to the fund are charged to revenue. The Company has no further obligations under the plan beyond its monthly contributions.
- National Pension Scheme: The Company has registered under the National Pension Scheme to provide post retirement benefit to employees. This is an optional scheme available to employees. The Company has no further obligations under the plan beyond its monthly contributions.

During the year, the Company has recognised the following amounts in the Statement of Profit and Loss:

Particulars	31-Mar-21	31-Mar-20
Provident Fund	4,435	5,059
Superannuation	4,031	4,523
National pension scheme	523	824
Total	8,989	10,406

(All amounts "Rs. in '000" unless otherwise stated)

(iv) Other long term employee benefits

- a) Long Service Award As per the Company policy, every employee is entitled to Long Service Award. The award is payable upon completion of 10 years and 20 years of continuous service.
- b) Retention bonus/exgratia arrangements
The Company has entered into retention agreements with certain employees whose services are required in certain specific areas. These retention agreements entitles employees retention bonus and exgratia payments in three trenches over the retention period specified in the agreements which is generally for a period from February 1, 2021 to December 31, 2022. The terms of the retention bonus/exgratia arrangement require the employees to remain in employment during the relevant retention period for each installment. In case an employee leaves during the retention period, unpaid installments are not paid to such employees. Further, the Company may, if so require, may reduce the retention period in which case entire amount becomes due to such employee. The Company management considers this retention bonus/exgratia arrangement as multiple awards with different service periods where the plan's benefit formula is based on each award's individual service period. Further, the Company management consider that these arrangements are long-term in nature. Accordingly, the expense is recognized for each instalment over the respective service periods where the period of service is the period for which the employee is required to be employed before being unconditionally entitled to the retention bonus/exgratia payments. The liability accrued reflects the present value of expected cash outflows, with any unwind in the discount reflected in the income statement, which is not considered to be material for adjustment. The liability will be assessed and trued up at each reporting date for any changes in expected cash flows or reduction in retention period. During the year Rs 13,518 ['000] has been accrued and expensed in the Statement of Profit and Loss. Details are as below:

Particulars	31-Mar-21	31-Mar-20
As at 1 April 2020	-	-
Provided during the year	13,518	-
Unused amounts reversed	-	-
Amount used during the year	(10,084)	-
As at 31 March 2021	3,434	-

Note 14 : Deferred tax liabilities (net)

The balance comprises temporary differences attributable to:

Particulars	31-Mar-21	31-Mar-20
(A) Deferred tax liability on capital gains		
Deferred tax asset:		
Capital losses	-	7,277
Deferred tax asset [Refer note (i)]	<u>-</u>	<u>7,277</u>
Deferred tax liabilities:		
Capital gain on investments	-	9,231
Deferred tax liabilities	<u>-</u>	<u>9,231</u>
Net deferred tax liabilities (A)	<u>-</u>	<u>1,954</u>
(B) Deferred tax liability on other items		
Deferred tax asset:		
Employee benefits	-	2,949
Others	-	2,055
Total deferred tax assets [Refer note (ii)]	<u>-</u>	<u>5,004</u>
Deferred tax liabilities:		
Depreciation/amortisation on Property, plant and equipment/ Intangible assets	-	4,991
Employee loan	-	13
Total deferred tax liabilities	<u>-</u>	<u>5,004</u>
Net deferred tax liabilities (B)	<u>-</u>	<u>-</u>
Total Net deferred tax liabilities (A+B)	<u>-</u>	<u>1,954</u>

(All amounts "Rs. in '000" unless otherwise stated)

Note (i) : Under tax laws, capital gain or loss cannot be set off with profit and gain from business or profession, therefore, deferred tax liability on capital losses has been recognized separately. As it was not probable that the Company will have future capital gain therefore, deferred tax asset was recognized to the extent of deferred tax liability. The amount of deferred tax assets not recorded on the capital loss has been shown as part of 'Unrecognised deferred tax assets' included in the table below:

Note (ii) : As it is not probable that the Company will have future taxable profit against which deferred tax assets can be realized, hence the deferred tax asset has been recognized on deductible temporary differences only to the extent of deferred tax liability. Further, deferred tax asset has not been recognized in relation to carry forward unused tax losses/unabsorbed depreciation/MAT credit entitlement. The details of such items on which deferred tax assets has not been recognised is as below:

Unrecognized deferred tax assets

Particulars	31-Mar-21		31-Mar-20	
	Gross amount	Unrecognized tax effect	Gross amount	Unrecognized tax effect
Tax losses	288,106	80,151	144,030	40,069
Unabsorbed depreciation	96,003	26,708	70,937	19,735
Deductible temporary differences	376,822	104,832	6,359	1,769
MAT credit	-	27,966	-	27,966
		239,657		89,539

Tax losses, unabsorbed depreciation, MAT credit and deductible temporary differences for which deferred tax asset was not recognized, expires as follows:

Particulars	31-Mar-21	Expiry date	31-Mar-20	Expiry date
MAT credit	27,966	*	27,966	*
Tax losses	288,106	**	144,030	**
Unabsorbed depreciation	96,003	***	70,937	***
Deductible temporary differences	376,822	****	6,359	****

*

Assessment Year	Available up to A.Y.	31-Mar-21	31-Mar-20
AY 2010-11	AY 2025-26	10,217	10,217
AY 2011-12	AY 2026-27	5,938	5,938
AY 2012-13	AY 2027-28	1,530	1,530
AY 2016-17	AY 2031-32	2,684	2,684
AY 2017-18	AY 2032-33	6,483	6,483
AY 2018-19	AY 2033-34	1,114	1,114
		27,966	27,966

**

Assessment Year	Available up to A.Y.	31-Mar-21	31-Mar-20
AY 2014-15	2022-23	18,413	18,413
AY 2019-20 #	2027-28	35,232	35,232
AY 2020-21 #	2028-29	85,720	90,385
AY 2021-22 #	2029-30	148,741	-
		288,106	144,030

***Under Income Tax Act, 1961, unabsorbed depreciation can be carried forward indefinitely and has no expiry date.

**** The deductible temporary differences do not expire under current tax legislation.

The above balances of unrecognised deferred tax assets are as per return of income filed upto AY 2020-21 (previous year: upto AY 2019-20) and return of income proposed to be filed by the Company which are pending assessment by the revenue authorities.

(All amounts "Rs. in '000" unless otherwise stated)

Movement in deferred tax liabilities (Net)

Particulars	Employee benefits	Depreciation/ amortisation on Property, plant and equipment/ Intangible assets	Employee Loan	Carry forward capital losses	Financial assets at FVPTL	Others	Total
At 1 April 2019	2,380	(4,780)	(12)	7,116	(7,116)	2,412	-
(Charged)/credited: - to profit or loss	569	(211)	(1)	161	(2,115)	(357)	(1,954)
At 31 March 2020	2,949	(4,991)	(13)	7,277	(9,231)	2,055	(1,954)
(Charged)/credited: - to profit or loss	(2,949)	4,991	13	(7,277)	9,231	(2,055)	1,954
At 31 March 2021	-	-	-	-	-	-	-

Note 15 : Other current liabilities

Particulars	31-Mar-21	31-Mar-20
Advances from customers	37	160
Statutory dues	23,627	2,041
Advance received against disposal of property plant & equipment (Refer note 38)	-	2,500
Total other current liabilities	23,664	4,701

Note 16 : Revenue from operations

Particulars	31-Mar-21	31-Mar-20
Revenue from contracts with customers		
Sale of products	-	577,414
Sale of services	-	56
Total revenue from operations	-	577,470

- (i) No significant judgements had been made by the Company in determination of the amount and timing of revenue from contracts with customers.
- (ii) There were no unsatisfied (or partially satisfied) performance obligations, as the performance obligation is part of a contract that had an original expected duration of less than one year.
- (iii) **Reconciliation of revenue recognised with contract price :**

	31-Mar-21	31-Mar-20
Contract Price	-	583,383
Adjustment for :		
Incentives to customers	-	(5,913)
	-	577,470

(All amounts "Rs. in '000" unless otherwise stated)

Note 17 (a) : Other income

Particulars	31-Mar-21	31-Mar-20
Interest income on financial assets measured at amortised cost	20,889	28,526
Government grant (i)	6	1,058
Sales of Raw Materials, Stores and Spares	13,276	4,285
Insurance claim	-	51
Total other income	34,171	33,920

- (i) Government grants are related to export incentives on Duty Drawback Scheme and Merchandise Export from India Scheme. There are no unfulfilled conditions or other contingencies attached to these grants.

Note 17 (b) : Other gains/(losses)- (net)

Particulars	31-Mar-21	31-Mar-20
Net gain on disposal of property, plant and equipment (Refer note 38)	2,052	-
Net gain/(loss) on financial assets measured at fair value through profit and loss*	10,745	19,281
Gain on termination of lease	101	-
Liabilities and provision no longer required written back	6	-
Net foreign exchange differences	34	-
Provision for obsolete stores & spares and packing material no longer required written back	-	115
Loss allowance no longer required written back	-	191
Total other gains/(losses)	12,938	19,587
* Includes net gain/(loss) on sale of investments in Mutual Funds	10,745	(56)

Note 18 : Cost of material consumed

Particulars	31-Mar-21	31-Mar-20
Raw and packing materials at the beginning of the year	7,129	18,244
Add: Purchases/ (Sales)*	(7,129)	216,078
Less: Raw and packing materials at the end of the year	-	7,129
Total cost of material consumed	-	227,193

Cost of material consumed includes Rs. Nil ('000), [March 31, 20 Rs. 16,036 ('000)] on account of write down of inventories to net realizable value.

- * Cost of raw material sold during the year disclosed under Note 22 "Other Expenses"

Note 19 : Changes in inventories of finished goods and work-in-progress

Particulars	31-Mar-21	31-Mar-20
Opening balance		
Work in Process	-	11,473
Finished goods	-	57,035
Total opening balance (a)	-	68,508
Closing balance		
Work in Process	-	-
Finished goods	-	-
Total closing balance (b)	-	-
Total changes in inventories of finished goods and work-in-progress (a-b)	-	68,508

(All amounts "Rs. in '000" unless otherwise stated)

Note 20 : Employee benefit expense

Particulars	31-Mar-21	31-Mar-20
Salaries, wages and bonus	56,931	65,230
Contribution to provident and other funds (Refer note 13)	8,989	10,406
Voluntary retirement scheme benefit (Refer note 37)	167,338	-
Retention bonus/exgratia (Refer note 13(iv))	13,518	-
Gratuity (Refer note 13)	5,273	2,568
Compensated absences *	671	1,452
Staff welfare expenses	6,462	6,690
Total employee benefit expense	259,182	86,346

* Includes INR 1,404 '(000), (Previous year: INR Nil) being expenses on encashment of sick leave to employees under Voluntary Retirement Scheme, refer note 37.

Note 21 (a) : Depreciation and amortisation expense

Particulars	Notes	31-Mar-21	31-Mar-20
Depreciation on property, plant and equipment	3(a)	19,047	27,031
Depreciation of right-of-use assets	3(b)	807	586
Amortisation of other intangible assets	5	185	661
Total depreciation and amortisation expense		20,039	28,278

Note 21 (b) : Impairment loss on Property, Plant and Equipment and intangible assets

Particulars	Notes	31-Mar-21	31-Mar-20
Property, plant and equipment (Refer note 36)	3(a)	142,320	-
Other intangible assets (Refer note 36)	5	116	-
Total Impairment loss on Property, Plant and Equipment and intangible assets		142,436	-

Note 22 : Other expenses

Particulars	31-Mar-21	31-Mar-20
Consumption of stores and spare parts	138	20,268
Power and fuel	4,559	164,761
Freight outward	-	40,538
Rent	38	717
Repairs to buildings	260	1,577
Repairs to machinery	907	4,779
Repairs to others	311	400
Provision for obsolete stores & spares and packing material (Refer note 8)	13,950	-
Cost of Raw material, stores and spares sold	8,213	-
Net foreign exchange loss	-	312
Loss allowance	2,147	1,458
Royalty	-	4,213
Information technologies support service charges	5,854	7,487
Rates and taxes (Refer note 22 (b) below)	6,222	550
Legal and professional expenses (Refer note 22 (a) below)	14,357	23,747
Maintenance charges to UPSIDC (Refer note 22 (b) below)	1,087	6,567
Insurance	6,430	4,477
Sales commission	-	16,844

(All amounts "Rs. in '000" unless otherwise stated)

Note 22 : Other expenses

Particulars	31-Mar-21	31-Mar-20
Waste disposal [Refer note 12 (d)]	33,406	2,890
Loss on disposal of property, plant and equipment (net)	-	806
Transfer Levy (Refer note 35)	80,900	-
Security expenses	5,324	5,954
Travelling	117	3,655
Premises Upkeep	2,220	2,464
Directors Sitting Fee	1,660	740
Recruitment, Training and Relocation expense	1,128	122
Capital work in progress (LPG Project) written off	3,133	-
Miscellaneous Expenses	3,108	7,979
Total other expenses	195,469	323,305

Consumption of stores and spare parts include Rs. Nil ('000) [March 31, 2020 Rs.- 1,440 ('000)] and power and fuel include Rs. Nil ('000) [March 31, 2020 Rs.- 1,176 ('000)] on account of write down of inventories to net realizable value.

Note 22 (a) : Details of payments to auditors

Particulars	31-Mar-21	31-Mar-20
As auditor :		
Statutory audit	1250	1,250
Limited review	750	750
Tax audit	261	330
Re-imburement of expenses	29	117
Total	2,290	2,447

Note 22 (b):

During the year the Company has paid maintenance charges of Rs. 5,977 ('000) for the period July 1, 2019 to May 29, 2020 to Uttar Pradesh Industrial Development Authority (UPSIDA). Out of the payment to UPSIDA for maintenance charges, for the year ending March 31, 2021 the Company has recognized expense of Rs. 1,087 ('000) for two months period from April 1, 2020 to May 29, 2020 which, as in earlier years, has been included in Maintenance charges to UPSIDC. Further, the Company received a letter dated June 25, 2020 from Nagarpalika Parishad, Gajraula informing that the jurisdiction of Gajraula for charging maintenance charges has been transferred from UPSIDA to Nagarpalika Parishad. Accordingly, with effect from June 1, 2020, the Company is liable to pay self-assessment property and water tax to Nagarpalika Parishad. Accordingly, for the year ending March 31, 2021 the Company has recognized expense of Rs. 3,471 ('000) for self-assessment tax payable to Nagarpalika for ten months period from June 1, 2020 to March 31, 2021 which has been included in 'Rates and taxes'. The provision for property and water tax has been calculated based on the guidelines given in :Government Gazette, Uttar Pradesh, Allahabad, Saturday, 21 October, 2017 (Ashwin 20, 1939 shak sanwat)". Further, Nagarpalika tax of Rs. 3,471 ('000) has been paid on May 13, 2021.

Note 23: Finance costs

Particulars	31-Mar-21	31-Mar-20
Interest and finance charges on financial liabilities not at fair value through profit or loss	-	-
Interest and finance charges on lease liabilities	16	124
Interest - Others	683	-
Interest on Transfer Levy (Refer note 35)	5,710	-
Total finance costs	6,409	124

Subsequent to introduction of Ind AS 116 'Leases' in the previous year, the Company has recognized Long Term leases as Right-of-use assets and created Lease Obligation representing Present Value of future minimum lease payment. The unwinding of such obligation is recognized as Interest Expenses.

(All amounts "Rs. in '000" unless otherwise stated)

Note 24: Income tax expense

Particulars	31-Mar-21	31-Mar-20
Taxes relating to earlier years	2718	-
<i>Deferred tax</i>		
Decrease / (increase) in deferred tax assets	-	-
(Decrease) / increase in deferred tax liabilities	(1,954)	1,954
Total deferred tax expense/(benefit)	(1,954)	1,954
Income tax expense	764	1,954

(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

Particulars	31-Mar-21	31-Mar-20
Profit before income tax expense	(576,426)	(102,777)
Tax at the Indian tax rate of 27.82% (2019-2020 – 27.82%)	(160,362)	(28,592)
Other adjustments	112,772	(2,606)
Deferred tax not recognised on business losses of current year	48,354	33,152
Income tax expense	764	1,954

(d) Transfer Pricing Note

The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income Tax Act, 1961. For this purpose, the Company has appointed an independent consultant for conducting a Transfer Pricing study (the 'study') for the Assessment Year 2021-22. In the unlikely event that any adjustment is required consequent to completion of the study for the year ended March 31, 2021, the same would be made in the subsequent year. However, management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any material impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

Note 25: Related party transactions

Name of entity	Place of business	Ownership interest	
		31-Mar-21	31-Mar-20
(a) Parent Entities			
The Company is controlled by following entity:			
Ultimate Holding Company - RAG-Stiftung	Germany		
Intermediate Holding Company - Evonik Industries AG	Germany		
Holding Company - Evonik Operations GmbH (formerly known as Evonik Degussa GmbH),	Germany	73.11%	73.11%
(b) Fellow Subsidiaries with whom the Company had transaction during the year:			
Evonik India Pvt. Ltd.	India		
Evonik Resource Efficiency GmbH	Germany		
Evonik Technology and Infrastructure GmbH	Germany		
Evonik IP GmbH	Germany		

(All amounts "Rs. in '000" unless otherwise stated)

(c) Key management personnel and relative**Key management personnel:**

Mr. Dara Phirozeshaw Mehta, Independent Director, Chairman
 Mr. Brijesh Arora, Managing Director (Till December 10, 2020)
 Mr. Christian Schlossnikl, Director
 Ms. Sonia Prashar, Independent Director
 Mr. Sanjeev Taneja, Director (Till August 13, 2020)
 Mr. Vinod Paremal Naraynan (w.e.f. August 13, 2020)
 Mr. Gopal Iyer (w.e.f. December 10, 2020)
 Ms. Meng Tang, Director
 Ms. Shivangi Negi, Chief Financial Officer
 Ms. Swati Surhatia, Company Secretary
 Mr. Sarvesh Kumar Upadhyay, Company Secretary (Till January 1, 2020)

Proprietorship firm in which proprietor is relative of key management personnel

Nityanand Singh & Co.

(d) Key management personnel compensation

Particulars	31-Mar-21	31-Mar-20
Short-term employee benefits	6,667	9,857
Post-employment benefits	(85)	464
Long-term employee benefits	3,980	1,413
Directors sitting fees	1,660	740
Total compensation	12,222	12,474

(e) Transactions with related parties

The following transactions occurred with related parties:

	Holding Company & Intermediate Holding Company		Fellow Subsidiary		Proprietorship firm in which proprietor is relative of key management personnel	
	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20	31-Mar-21	31-Mar-20
Commission on sales paid:						
- Evonik India Pvt. Ltd.	-	-	-	16,685	-	-
SAP license, Lotus Notes and Microsoft license fee paid:						
- Evonik Industries AG	5,854	7,487	-	-	-	-
Royalty:						
- Evonik IP GmbH	-	-	-	4,213	-	-
Reimbursement of expenses received:						
- Evonik Resource Efficiency GmbH	-	-	-	70	-	-
- Evonik India Pvt. Ltd.	-	-	26	168	-	-
Air Freight Paid :						
- Evonik India Pvt. Ltd.	-	-	-	9,553	-	-
Fees (Secretarial audit):						
Nityanand Singh & Co.	-	-	-	-	131	118

(All amounts "Rs. in '000" unless otherwise stated)

(f) Outstanding balances arising from sales/purchases of goods and services

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

Particulars	31-Mar-21	31-Mar-20
Trade payables		
Intermediate holding company		
Evonik Industries AG	1,361	1,438
Fellow Subsidiaries		
Evonik IP GmbH	-	34
Evonik Technology and Infrastructure GmbH	-	675
Proprietorship firm in which proprietor is relative of key management personnel		
Nityanand Singh & Co.	-	118
Total payables to related parties	1,361	2,265
Fellow Subsidiaries		
Evonik Resource Efficiency GmbH	-	70
Total other current assets	-	70
Total receivables from related parties	-	70

Transactions relating to SAP license, Lotus Notes, Microsoft license fee, reimbursement of training expenses were on the basis of arm's length.

All other transaction were made on normal commercial terms and conditions and at market rates. All outstanding balances are unsecured and are repayable in cash.

Note 26 : Contingent liabilities

Particulars	31-Mar-21	31-Mar-20
House tax matter		
Case pertaining to demand for payment of House Tax including penalty	16,250	15,625
Sales tax matters		
Cases pending before Appellate authorities in respect of which the Company/department has filed appeals.	3,999	3,753
Liability for bonus		
Liability for bonus for Financial Year 2014-15 due to retrospective applicability of "The Payment of Bonus (Amendment) Act, 2015"	1,584	1,584
Others		
Other claims against the Company not acknowledged as debts	4,105	3,443
Total	25,938	24,405

- (a) It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.
- (b) The Company does not expect any reimbursements in respect of the above contingent liabilities.
- (c) "The Supreme Court of India has passed an order dated February 28, 2019 in the matter of The Regional Provident Fund Commissioner (II) West Bengal vs. Vivekananda Vidyamandir & Ors in Civil Appeal No. 6221 of 2011 and few other linked cases. In the said order, the Supreme Court has clarified the definition of the Basic Wage under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. The Company has evaluated the impact of this Judgement and in the assessment of management, the aforesaid matter is not likely to have a significant financial impact and accordingly, no provision has been made in these Financial Statements."
- (d) Refer note 35 for ongoing litigation with respect to leasehold land from Uttar Pradesh State Industrial Development Authority (UPSIDA) pending before the Hon'able High Court at Allahabad.

(All amounts "Rs. in '000" unless otherwise stated)

Note 27 : Capital Commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

Particulars	31-Mar-21	31-Mar-20
Property, plant and equipment *	-	20

* Net of advances March 31, 2021 Rs. Nil ('000), March 31, 2020 Rs. Nil ('000).

Note 28 : Earnings/(loss) per share

Particulars	31-Mar-21	31-Mar-20
(a) Basic earnings/(loss) per share		
Basic earnings/(loss) per share attributable to the equity holders of the Company (Rs.)	(9.20)	(1.67)
(b) Diluted earnings/(loss) per share		
Diluted earnings/(loss) per share attributable to the equity holders of the Company (Rs.)	(9.20)	(1.67)
(c) Reconciliation of earnings/(loss) used in calculating earnings/(loss) per share		
Basic earnings/(loss) per share		
Profit/(loss) attributable to equity share holders of the company used in calculating earnings per share	(577,190)	(104,731)
Diluted earnings per share		
Profit attributable to equity share holders of the company used in calculating earnings per share	(577,190)	(104,731)
(d) Weighted average number of shares used as the denominator		
Weighted average number of equity shares used as the denominator in calculating basic earnings/(loss) per share (number of shares)	62,715,000	62,715,000
Weighted average number of equity shares used as the denominator in calculating diluted earnings/(loss) per share (number of shares)	62,715,000	62,715,000

Note: There are no dilutive instruments.

Note 29 : Fair value measurements**Financial instruments by category**

Particulars	31-Mar-21			31-Mar-20		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Investments						
- Mutual funds	-	-	-	182,567	-	-
Loans						
- Loans to Employees	-	-	422	-	-	1,530
- Security Deposits	-	-	7,131	-	-	7,563
Trade receivables	-	-	-	-	-	3,121
Cash and cash equivalents	-	-	20,303	-	-	9,259
Other Bank Balances	-	-	250,197	-	-	390,000
Other Financial Assets	-	-	5,810	-	-	10,152
Total financial assets	-	-	283,863	182,567	-	421,625
Financial liabilities						
Trade payables	-	-	8,859	-	-	18,397
Other Financial Liabilities:						
- Other Financial Liabilities	-	-	26,199	-	-	5,431
Total financial liabilities	-	-	35,058	-	-	23,828

(All amounts "Rs. in '000" unless otherwise stated)

(i) Fair value hierarchy

Financial assets and liabilities measured at fair value - recurring fair value measurements	Notes	Level 1	Level 2	Level 3	Total
At 31 March 2021					
Financial Investments at FVPL					
Mutual funds	9 (a)	-	-	-	-
Total Financial Assets		-	-	-	-

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Notes	Level 1	Level 2	Level 3	Total
At 31 March 2021					
Financial Assets					
- Loans to Employees	6 (a)	-	-	422	422
Total Financial Assets		-	-	422	422

Financial assets and liabilities measured at fair value - recurring fair value measurements	Notes	Level 1	Level 2	Level 3	Total
At 31 March 2020					
Financial Investments at FVPL					
Mutual funds	9 (a)	182,567	-	-	182,567
Total Financial Assets		182,567	-	-	182,567

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Notes	Level 1	Level 2	Level 3	Total
At 31 March 2020					
Financial Assets					
- Loans to Employees	6 (a)	-	-	1,530	1,530
Total Financial Assets		-	-	1,530	1,530

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices (in active market) the closing Net Asset Value (NAV) of which the Company can access as on measurement date. The mutual funds are measured using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Valuation technique used to determine fair value

There are no transfers between levels 1 and 2 during the year.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

The carrying amounts of trade receivables, trade payables, capital creditors, cash and cash equivalents, other bank balances, other financial assets and other financial liabilities are considered to be the same as their fair values, due to their short-term nature.

Majorly, the security deposits are redeemable on demand and hence the fair values of security deposits are approximately equivalent to the carrying amount.

The fair values of loan to employees are based on discounted cash flows using a current requisite valuation tax rate. They are classified as level 3 fair values in the fair value hierarchy since significant inputs required to fair value an instrument are not observable. There is no material difference between carrying amount and fair value of loan to employees as on March 31, 2021 and March 31, 2020.

(All amounts "Rs. in '000" unless otherwise stated)

Note 30 : Financial risk management

The Board of Directors of the Company has overall responsibility for the determination of the Company's risk management objectives and policies. The Company's overall risk management policy during the suspension of operations and the proposed voluntary liquidation of the Company, as described in notes 33, focusses on conservation of cash, management of other financial assets and liabilities; and regulatory and governmental processes.

The Company's historic activities exposed it to liquidity risk, credit risk and market risk (foreign exchange and price). The Company's financial instruments comprise of financial assets at fair value through profit and loss, cash and cash equivalents, deposits with bank and other items such as prepayments and other receivable, accruals and other payables which arose from its operations. This note presents information about the Company's exposure to each of the above risks, the Board's objectives, policies and processes for measuring and managing risk and management of capital. Further quantitative disclosures are included throughout these financial statements. The Company held no derivative financial instruments as at March 31, 2021 (Previous Year: Nil). A summary of the main risks is set out below:

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, financial assets measured at amortised cost.	Aging analysis	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Trade Payable and other Financial liabilities	Rolling cash flow forecasts	Monitoring of available cash and cash equivalents and deposits with banks, committed credit lines and borrowing facilities
Market risk – foreign exchange	Future commercial transactions Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Immaterial impact insignificant amount	Amount receivable/payable in foreign currency are not significant
Market risk – Price Risk	Investment in Mutual funds	Monitoring of NAVs Sensitivity analysis	Investment in high rated Government Interest Link Funds. The Company did not have any investments in mutual fund as at March 31, 2021.

(A) Credit risk

Credit risk mainly arises from cash and cash equivalents, deposits with banks, security deposits with others as well as credit exposures to customers. The maximum exposure arising from these financial assets is their carrying value as disclosed in the balance sheet.

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and deposits with banking institutions. The carrying amounts of financial assets represent the maximum credit risk exposure.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information.

A default on a financial asset is when the counterparty fails to make contractual payments within 180 days when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the Company. The Company categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than 3 years past due. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. When recoveries are made, these are recognised in statement of profit and loss.

Where there has not been significant increase in credit risk in financial assets (other than trade receivables) expected credit loss is measured on 12 months ECL approach. In case of significant increase in credit risk lifetime expected credit loss approach is used. For trade receivables, expected credit loss is calculated using lifetime credit loss approach (simplified approach).

(All amounts "Rs. in '000" unless otherwise stated)

Year ended 31 March 2021:

Expected credit loss for loans and security deposits

Particulars		Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit loss	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	Loans	422	0%	-	422
		Security deposits	7,278	2.02%	147	7,131

Year ended 31 March 2020:

Expected credit loss for loans and security deposits

Particulars		Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit loss	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	Loans	1,530	0%	-	1,530
		Security deposits	7,666	1.34%	103	7,563

(a) Credit risk management**Cash & cash equivalents and bank deposits**

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits account in different banks across the country. Also, no impairment loss has been recorded in respect of fixed deposits that are with recognised commercial banks and are not past due.

Other financial assets measured at amortised cost

Other financial assets measured at amortised cost include security deposits and other assets. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, investment in mutual funds, other balances with banks, loans and other receivables.

The Company has developed guidelines for the management of credit risk from trade receivables. The Company's primary customers are with good credit ratings. Clients are subjected to credit assessments as a precautionary measure, and the adherence of all clients to payment due dates is monitored on an on-going basis, thereby practically eliminating the risk of default.

Credit risk arising from other balances with banks is limited and there is no collateral held against these because the counterparties are banks and recognized financial institutions with high credit ratings assigned by the international credit rating agencies.

The average credit period on sales of products is 30 - 90 days. Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed and accordingly individual credit limits are defined/modified.

Reconciliation of loss allowance provision - Trade receivables

Loss allowance as at 1 April 2019	244
Changes in loss allowance	1,458
Loss allowance on 31 March 2020	1,702
Changes in loss allowance	(4)
Loss allowance on 31 March 2021	1,698

(All amounts "Rs. in '000" unless otherwise stated)

Reconciliation of loss allowance provision - Security deposit

Loss allowance on 1 April 2019	103
Changes in loss allowance	-
Loss allowance on 31 March 2020	103
Changes in loss allowance	44
Loss allowance on 31 March 2021	147

(B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding to meet obligations when due. Management monitors rolling forecasts of the company's liquidity position and cash and cash equivalents on the basis of expected cash flows.

Maturities of financial liabilities

The table below analyses the Company financial liabilities into relevant maturity groupings based on their contractual maturities for:

- all non-derivative financial liabilities and
- gross settled derivatives financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

(i) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	31-Mar-21	31-Mar-20
Floating rate - Expiring within one year :		
1. Working capital demand loan/Cash Credit	5,000	5,000
2. Overdraft	5,000	-
3. Import / Inland letters of credit	20,000	20,000
4. Guarantees - performance / financial - maximum 2 years	20,000	20,000
5. Guarantees - performance / financial - maximum 5 years	5,000	5,000
6. Cash management services	5,000	4,000

- (i) At no time shall the aggregate Drawings under the Facility 1 to 2 exceed Rs. 5,000 ('000) [2020 Rs. Nil ('000)].
- (ii) At no time shall the aggregate Drawings under the Facility 3 to 5 exceed Rs. 20,000 ('000) [2020 Rs. 20,000 ('000)].
- (iii) The facilities listed at 1 to 4 above shall be secured by first pari passu charge on stocks and book debts, with a margin of 25%.

Assets pledged as security

The carrying amount of assets pledged as security for financing arrangement are :

Particulars	31-Mar-21	31-Mar-20
Non-current assets		
Other financial assets		
Long term deposit with bank with original maturity period more than 12 months	-	1,000
Current assets		
First charge		
Inventories	4,963	26,696
Financial assets		
First charge		
Trade receivables	-	3,121
Deposits with original maturity of more than three months but less than twelve months	1,000	-
Total Current assets pledged as security	5,963	30,817

(All amounts "Rs. in '000" unless otherwise stated)

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

Contractual maturities of financial liabilities:	0-30 days	31-180 days	181-365 days	1 to 2 year	2 to 5 year	Beyond 5 year	Total
31 March 2021							
Non-Derivatives							
Lease liabilities	-	10	-	10	30	760	810
Trade payables	8,447	321	91	-	-	-	8,859
Other financial liabilities	23,771	2,333	95	-	-	-	26,199
Total	32,218	2,664	186	10	30	760	35,868
Derivatives							
Foreign exchange forward contracts	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-
31 March 2020							
Non-Derivatives							
Obligation under finance lease	94	480	567	1,806	30	770	3,747
Trade payables	17,490	334	-	573	-	-	18,397
Other financial liabilities	1,719	1,764	1,920	28	-	-	5,431
Total	19,303	2,578	2,487	2,407	30	770	27,575
Derivatives							
Foreign exchange forward contracts	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-

(C) Market risk**(i) Foreign currency risk**

The Company does not have significant foreign currency exposure. Accordingly, the Company, generally does not take any financial instrument to hedge its foreign exchange currency risk exposure.

The Company's unhedged foreign currency exposure is as follows:

Particulars	31-Mar-21		31-Mar-20	
	USD	EUR	USD	EUR
<i>Financial assets</i>				
Trade receivables	-	-	-	-
Exposure to foreign currency risk (assets)	-	-	-	-
<i>Financial liabilities</i>				
Trade payables				
- Export commission payable	-	-	-	-
- Support services charges payable	-	16	-	25
Exposure to foreign currency risk (liabilities)	-	16	-	25

(iii) Price risk

The Company's exposure to price risk arises from mutual funds held by the Company and classified in the Balance Sheet as fair value through profit or loss. To manage its price risk arising from investments in mutual funds, the Company invests in Government Interest Liquidity Funds, which are highly rated. The Company did not have any investments in mutual fund as at March 31, 2021.

(All amounts "Rs. in '000" unless otherwise stated)

Sensitivity

The table below summarises the impact of increases/decreases of the NAV on the Company's profit for the year. The analysis is based on the assumption that the Mutual fund NAV had increased / decreased with all other variables held constant. Further there is no change in assumptions from last year.

Particulars	Impact on profit after tax	
	31-Mar-21	31-Mar-20
NAV – increase - Nil (31 March 2020 3%)	-	5,477
NAV – decrease - Nil (31 March 2020 3%)	-	(5,477)

Note 31 : Segment Information:**Description of segments and principal activities**

The Company is engaged in the manufacture of a single product viz. Precipitated Silica.

Operating segments are reported in a manner consistent with the internal reporting to the Chief Operating Decision Maker (CODM) of the Company. The Company has identified Board of Directors as CODM. The CODM is responsible for allocating resources and assessing performance of the operating segments. The Company has monthly review and forecasting procedure in place and CODM reviews the operations of the Company as a whole, hence there are no reportable segments as per Ind AS 108 "Operating Segments". The Company's operations remain shut down from October 26, 2019 as described in Note 33.

A. Information about geographical areas:

The following information discloses revenue from external customers based on geographical areas:

i) Revenue from external customers

Particulars	For the year	
	31-Mar-21	31-Mar-20
India	-	539,216
Outside India	-	38,254
	-	577,470

ii) Revenues from transactions with Nil external customers (previous year one) amounting to 10 per cent or more of the Company's revenues is as follows

Particulars	For the year	
	31-Mar-21	31-Mar-20
Customers	-	70,221

iii) All the non-current assets of the Company are located in India.**Note 32 : Capital management**

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

The Company has only one class of equity shares and has no debt. Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for re-investment into business based on its long term financial plans.

(All amounts "Rs. in '000" unless otherwise stated)

Note 33 :

The Company was informed by the Uttar Pradesh Pollution Control Board (UPPCB) that pursuant to the order of Hon'ble National Green Tribunal (NGT) dated April 26, 2017 in the matter of 'M. C. Mehta Vs. Union of India and Others' relating to cleaning of river Ganga, 15 industrial units of 13 companies in Gajraula including unit of Insilco Limited, in the catchment of the river Bagad which leads to the river Ganga, had been ordered to be shut down. In compliance with the same, the Company had shut down its Plant at Gajraula. The matter was again heard on May 8, 2017. The Company pleaded that recommendations with regards to Zero Liquid Discharge (ZLD) are not practical for the Company's plant and that the UPPCB should prescribe some appropriate method in place of ZLD. After the hearing, the Plant of the Company was allowed to resume operations with certain directions and the Company restarted its plant on May 9, 2017. The directions of NGT, inter-alia, included that the Company would put forward its case before a Joint Inspection Team (JIT) and the JIT will submit its report within two weeks from May 8, 2017. Pursuant to such directions, the JIT visited the plant of the Company on May 23, 2017 and the Company explained full compliance status along with the measures taken for improvement to the JIT. As the Company did not receive the copy of the report of JIT despite renewing its Caveats, records of NGT were duly inspected for such report through our legal counsels; however, no such report was filed by the UPPCB with NGT. The Company also continued its Caveats so that advance intimation to Company should be given if any Report is filed with the NGT. On July 13, 2017, NGT pronounced its detailed judgement in this matter where it gave certain specific directions with respect to Bagad River (drain) and General Directions to Industries at Gajraula and the UPPCB. In response to the Company's application for renewal of water and air consent for its plant, the Company received a letter dated January 12, 2018 from UPPCB intimating to the Company the recommendations of JIT which had inspected the unit at Gajraula on May 23, 2017 pursuant to the order of Hon'ble National Green Tribunal (NGT) dated May 8, 2017. The Company had replied to the said letter vide the letter dated January 19, 2018.

UPPCB vide its e-mail dated May 11, 2018 had granted its approval for renewal of air/water "Consent to Operate". The said Water "Consent to Operate" was valid from January 1, 2018 to December 31, 2018. One of the specific conditions of the said water consent stated that

- (1) "The unit will incorporate the recommendations of Joint Inspection Team in the study of IIT, Roorkee, validate the technology from Central Pollution Control Board (CPCB) and ensure Zero Liquid Discharge (ZLD) by way of recycling the treated effluent or other methodology recommended by IIT, Roorkee and approved by CPCB by December 31, 2018." The Company in October 2018 applied to UPPCB for renewal of Consent to Operate under section 25/26 of Water (Prevention & Control of Pollution) Act, 1974 and under section 21/22 of Air (Prevention & Control of Pollution) Act, 1981. for the years 2019 to 2028. After filing of the Company's application for renewal of the Consents to Operate, UPPCB had raised query that the Company had not submitted the compliance of Zero Liquid Discharge System and compliance of recommendations and suggestions made by JIT in compliance of orders of NGT. The Company had, inter alia, replied that it would be able to discuss the aforesaid queries after receipt of final report from IIT Roorkee and validating the concept from CPCB as per the water Consent to Operate dated May 8, 2018. The Company had submitted final report of IIT Roorkee dated July 17, 2019 to UPPCB vide its letter dated July 20, 2019. The report evaluated five technologies and all such technologies were concluded as non-feasible. The report also concluded that "in present context, there seems to be no feasible technology other than the present practice followed by Insilco for the treatment of Insilco effluent to maintain Sodium Absorption Ratio (SAR) at 26". A summary of the report was submitted with Bombay Stock Exchange vide Company's letter dated July 23, 2019.

UPPCB, vide its letters dated October 22, 2019, refused the Company's application for renewal of water and air Consent to Operate on the ground that the unit is using fresh water for dilution of effluent to achieve the norms of Sodium Absorption Ratio (SAR) 26. The study carried out by IIT Roorkee has not recommended any feasible method for treatment of the effluent to achieve the prescribed norms. The process of dilution with fresh water cannot be allowed. Keeping the facts in view the Consent to operate water/air application is hereby rejected. Unit may submit final report of IIT, Roorkee to Central Pollution Control Board (CPCB) and seek suitable direction. Consequent to above, the Company has suspended its operations on October 26, 2019 after utilizing raw material in process. The Company has made a representation alongwith final report of IIT Roorkee to CPCB on October 30, 2019. The Company also preferred a Writ Petition before the Hon'ble Allahabad High Court, inter alia, seeking quashing of the orders dated October 22, 2019 passed by UPPCB or in the alternative, for allowing the Company to resume operations until the CPCB passes suitable directions and for seeking directions to the UPPCB to renew the Company's water and air Consent to Operate.

(All amounts "Rs. in '000" unless otherwise stated)

The matter was heard on November 5, 2019 and November 13, 2019. The Allahabad High Court dismissed the Writ Petition and, inter alia, held that the situation was not so exceptional, so as to allow the writ court to intervene, exercising its extraordinary high prerogative discretionary jurisdiction under Article 226 of the Constitution of India. The High Court however noted that the Company was not without any remedy and the statutory alternative appellate remedy was available to the Company in respect of both the orders dated October 22, 2019. The Hon'ble High Court granted liberty to the Company to approach the relevant statutory authority in respect of the impugned orders, and take all points which are available in law. The High Court however noted that if the Company approached the statutory appellate authority, the said authority shall not be influenced in any manner by any observation made in the order and shall decide the appeals strictly in accordance with law. The officials of the Company, considering the economical reasons, conducted discussions with the UPPCB and proposed a change in the process for water treatment. The Company had submitted a proposal to the UPPCB demonstrating an alternative to dilution with adding fresh water by increase in use of Magnesium Salt (MgSO₄) and still maintain the SAR value of 26 and filed a fresh application. However, the Fresh Applications for Water & Air Consent to Operate have been refused/rejected by UPPCB, vide its letters dated February 4, 2020, on the following grounds :

- (i) The study carried out by IIT, Roorkee has not suggested any feasible method for treatment of effluent in order to achieve the norms prescribed under the provisions of Environment (Protection) Rules, 1986. The process of dilution with fresh water cannot be allowed.
- (ii) Unit has not complied with the suggestions for achieving Zero Liquid Discharge made by Joint Committee constituted by Hon'ble National Green Tribunal.
- (iii) The proposal to achieve the norms for SAR by increasing the dosing rate of MgSO₄ shall put additional load on river Bagadh in terms of TDS concentration and hence the proposal is not acceptable.

The Company has preferred separate appeals under Section 28 of the Water (Prevention & Control of Pollution) Act, 1974 and Section 31 of the Air (Prevention & Control of Pollution) Act, 1981 respectively before the Special Secretary, Department of Environment, Forest and Climate, Uttar Pradesh against the orders of UPPCB. The final hearing took place on October 15, 2020.

Meanwhile vide its order dated December 4, 2020, the Special Secretary dismissed the appeal of the Company while stating. "Therefore, the appellant has the option of presenting its proposal to the Honorable Tribunal through the Joint Committee, following the recommendations of the Joint Committee in compliance with the order of the Hon'ble National Green Tribunal. The above orders have been issued in compliance with the order of the Honorable National Green Tribunal". The Board has reviewed the legal options available and is of the view that there were no merits in pursuing the matter any further.

The Board of the Company reviewed various options of the way forward for the Company. The Board is of the opinion that there is no availability of business prospects nor any long-term financial resources that presents a financially viable alternative to carry on the business activities of the Company or to resume the operations of the Company in the foreseeable future.

The Board granted its in-principle approval for the voluntary liquidation of the Company in its meeting dated March 30, 2021. The Board in its Meeting dated May 31, 2021 resolved to initiate Voluntary Liquidation and appoint a Liquidator in accordance with the provisions of the Insolvency and Bankruptcy Code, 2016 and the Regulations made thereunder. Such initiation of Voluntary Liquidation shall be subject to an approval by the Members and Creditors of the Company.

Note 34 : Changes in accounting policies during the previous year

This note explains the impact of the adoption of Ind AS 116 on the Company's financial statements.

Impact on the financial statements – lessee accounting

During the previous year, the Company had adopted Ind AS 116 retrospectively from April 1, 2019, but had not restated comparatives for year ended March 31, 2019, as permitted under the specific transition provisions in the standard. The reclassification and the adjustments arising from the new leasing rules were therefore recognised in the opening balance sheet on April 1, 2019. The new accounting policies are disclosed in Note 1(h).

For leases previously classified as finance leases the entity recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right of use asset and the lease liability at the date of initial application. The measurement principles of Ind AS 116 are only applied after that date.

(i) Practical expedients applied

In applying Ind AS 116 for the first time, the Company had used the following practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics

(All amounts "Rs. in '000" unless otherwise stated)

- relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review- there were no onerous contracts as at April 1, 2019
- accounting for operating leases with a remaining lease term of less than 12 months as at April 1, 2019 as short-term leases, and
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Company has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Company relied on its assessment made applying Ind AS 17 and Appendix C to Ind AS 17, Determining whether an Arrangement contains a Lease.

(ii) Measurement of lease liabilities

Finance lease liabilities recognised as at 31 March 2019	92
Lease liability recognised as at 1 April 2019	92
Of which are:	
Current lease liabilities	-
Non-current lease liabilities	92
	92

(iii) Measurement of right-of-use assets

The associated right-of-use assets for property leases were measured on a retrospective basis as if the new rules had always been applied.

Adjustments recognised in the balance sheet on April 1, 2019

The change in accounting policy affected the following items in the balance sheet on April 1, 2019:

- property, plant and equipment – decrease by Rs 12,776 ('000)
- accumulated depreciation (property, plant and equipment) - decrease by Rs 588 ('000)
- right-of-use assets – increase by Rs 12,776 ('000)
- accumulated depreciation (right-of-use assets)- increase by Rs 588 ('000)
- borrowings – decrease by Rs 92 ('000)
- lease liabilities – increase by Rs 92 ('000)

The net impact on retained earnings on April 1, 2019 was Nil.

Note 35:

During the Financial Year 2018-19, responding to the Company's application to District Magistrate for issue of no objection certificate (NOC) for its proposed LPG project at Gajraula, Uttar Pradesh State Industrial Development Authority (UPSIDA) had asked the Company to submit its approved building maps and certain information relating to change in shareholding of the Company / its promoters since execution of agreement with UPSIDA in the year 1989. Accordingly, on April 25, 2019 the Company had sent a letter to UPSIDC giving them necessary information regarding approved maps and the shareholding pattern of the Company as of March 31, 2019.

Consequently, a letter dated July 18, 2019 was received from UPSIDA asking the Company to submit certain information and documents to evaluate the quantum of transfer charges payable pursuant to change of the controlling interest in the Company by the promoters. The Company has submitted relevant documents and clarifications to UPSIDA in this regard. The Company has further submitted a request letter to UPSIDC/ UPSIDA to withdraw the letter dated July 18, 2019 and not to levy any transfer fee on the Company.

The Company has, however, received a letter dated July 1, 2020 from UPSIDA for approval of the change in Shareholding and Directors subject to payment of transfer levy of Rs. 80,900 ('000) and the approval shall be subject to certain terms and conditions such as 'restriction on transfer of controlling interest for 5 years, execution of fresh lease deed with the Company, revision of lease rent to Rs. 682 ('000) per annum during the next 30 years and thereafter, a lease rent of Rs. 1,364 ('000) per annum during the next 30 years'. UPSIDA has also sought approved building plan regarding the Company's application for granting no objection certificate for the installation of proposed LPG project.

(All amounts "Rs. in '000" unless otherwise stated)

However, the Company feels that the above conditions levied are without any basis and are based on mistaken understanding of the facts submitted by the Company. The Company has, therefore, replied to UPSIDA vide letter dated July 8, 2020 with a request to provide rationale / reason for imposing transfer levy and terms and conditions thereof. The company further stated that there is no change in controlling interest and accordingly transfer levy and other terms of this letter are not applicable to the Company. The Company has also requested UPSIDA to give an opportunity to present the case in person before the concerned UPSIDA officials once the epidemic situation has been brought under control.

In response to the Company's letter dated July 8, 2020, UPSIDA has sent a letter dated July 24, 2020 to the Company and has partially replied to the queries of the Company. In response to the UPSIDA letter, the Company had submitted a letter dated August 31, 2020 and mentioned that the Offer Letter is clearly incomplete in the absence of providing rationale/ reasoning. The company has further mentioned that the conditions levied in UPSIDA offer letter are absolutely ill-founded, without any basis and not at all applicable under present circumstances. The Company has requested UPSIDA to cancel the imposition of transfer levy on the company.

On December 24, 2020 the Company had deposited a sum of Rs. 86,610 ('000) [including interest of Rs. 5,710 ('000)] to UPSIDA under protest which has been expensed off in the books of accounts and included under the Note 22 "Other Expenses" as "Transfer Levy" to the extent of Rs. 80,900 ('000) and under Note 23 "Finance costs" as interest on Transfer Levy to the extent of Rs. 5,710 ('000) towards Transfer Levy and Interest respectively. The Company vide letter dated December 24, 2020 intimated to UPSIDA regarding payment of Transfer levy under protest and again reiterated that while the Transfer Levy and any interest on the said amount are not payable, however, as a law-abiding organization, the Company had decided to remit the Transfer Levy and the interest amount Under Protest and without prejudice to the Company's right under applicable laws and contract with UPSIDA. Further, the Company reserve it's right to initiate appropriate steps for seeking and obtaining refund of all amounts from UPSIDA.

The Company in the said letter reiterated its position and mentioned that there is no alteration of legal and factual position of tenancy of the Company with UPSIDA and hence, the new lease deed is not required to be executed by the Company in terms of aforementioned UPSIDA's letter dated July 1, 2020 and that the conditions levied in UPSIDA offer letter are absolutely ill-founded, without any basis and not at all applicable under present circumstances.

During the year, the Company has preferred a Writ Petition before the Hon'ble Allahabad High Court for quashing/ setting aside letters dated July 1, 2020, July 24, 2020 and December 22, 2020 issued by UPSIDA, wherein UPSIDA imposed the various conditions on the Company with respect to Transfer Levy, Maintenance Charges, Increase in lease rent, execution of a fresh lease deed which will entail additional liability towards stamp duty & registration charges on the Company, revision of lease rent and restriction on the Company from transferring controlling interest for a period of 5 (Five) years from July 1, 2020, which is pending disposal. The Company's legal counsels have advised that the Company has a fairly arguable case but are not in a position to comment on the likely outcome of the proceedings currently pending before the Hon'ble High Court, since the matter is sub-judice.

Further adjustments, if any, will be made upon final resolution of the matter.

Note 36:

In view of matter described in note 33 , the Board of Directors are of the view that there are no realistic alternatives for resumption of the Company's operations and accordingly, use of the going concern basis of accounting in the preparation of the financial statements is considered inappropriate and the financial statements for the year ended March 31, 2021 have not been prepared on a going concern. The Company's management has assessed carrying value of assets and liabilities and based on current estimates, following adjustments have been made in the books of account year ended March 31, 2021:

- a) Impairment loss to the carrying values of Property, Plant and Equipment's (PPE) and Intangible assets aggregating to Rs. 142,436 ['000] has been recognized in the books of account based on valuation report of an external independent valuer. The valuation is considered to be level 3 in the fair value hierarchy due to unobservable inputs used in the valuation. Valuation of PPE has been carried out on the basis of following key assumptions:
 - (i) Since the Zero Liquid Discharge (ZLD) is a mandatory requirement for setting up a new plant, the plant can no longer operate for manufacturing of silica. In view of the same the liquidation values of the assets have been considered by the independent valuer while making the estimate of recoverable amount. The basis for liquidation value approach considers the amount that would be realized when an asset or groups of assets are sold on a piecemeal basis that is without consideration of benefits (or detriments) associated with a going-concern business. A forced sale basis transaction with a shortened marketing period is considered for this valuation where the tangible assets are sold quickly, often for an extremely low percentage of their original cost.
 - (ii) For buildings, the method is based on estimation of the cost spent in reproducing the present day structure and thereafter applying liquidation discount in line with market norms and it is assumed that steel structure will fetch more value than the Reinforced Cement Concrete (RCC) on a piecemeal basis.

(All amounts "Rs. in '000" unless otherwise stated)

- (iii) For Plant and Machinery and Other Assets, market approach of valuation has been adopted for estimating the reinstatement value/GCRC (gross current replacement cost). Combination of replacement method and comparison method is used for carrying out the valuation. Liquidation value analysis is carried out in line with market experience and expertise. These assets were categorised between specialised for silica plant and general items. The assets specific to the silica plant are considered at scrap value as per the independent valuers' report, whereas for general items the balance useful life and type of asset has been considered for estimation of liquidation value by the independent valuer.
- b) Right of use assets (ROU) relating to leasehold land have been carried at cost as no loss is expected based on valuation report of an external independent valuer. Sales comparison method under market approach of valuation has been adopted by the valuer for estimating the fair value of land. In an active or open market, the identical type of land parcel with similar characteristics are used for valuation. In case of unavailability of direct comparable, relevant adjustments are carried out on available quotes or transaction details with consideration of different factors affecting values of land for estimating the fair value. In order to determine the value of land parcel actual sales instances in the area have been considered. The rate for the subject property has been arrived by adjusting the factor for elapsed lease, size of the property and applying liquidation discount in line with market norms. Liquidation value analysis is carried out in line with market experience and expertise. The valuation is considered to be level 3 in the fair value hierarchy due to unobservable inputs used in the valuation. (also refer Note 35)
- c) Write down adjustment to the carrying values of Stores and spares aggregating to Rs.12,988 ['000] has been recognized in the books of account based on valuation report of an external independent valuer. Valuation of stores and spares has been carried out on the basis of following key assumptions:
- For spares of general plant and machinery scrap value is considered as per the expert valuation report. For spares related to specialised plant and machinery NIL value has been considered.
- d) Other assets have been recognised at current realizable value as per the Management's current estimate and loss allowance aggregating Rs.1,580 ('000) has been recognised during the year.
- e) Liabilities have been recognised to the extent there is a present obligation at the reporting date.
- Future course of action, including upon proposed voluntary liquidation of the Company, for realisation of the Company's assets and discharging its liabilities might affect the classification and measurement of carrying values of assets and liabilities of the Company. Further adjustment, if any, will be made upon finalization of future course of action for realization of the Company's assets and discharging its liabilities.

Note 37:

During the year, the Board approved two Voluntary Retirement Schemes, Voluntary Retirement Scheme 2020 ("VRS 2020") and Voluntary Retirement Schemes 2021 ("VRS 2021") for the Company's employees. The VRS 2020 was introduced on December 11, 2020 for its all permanent staff and workers including those on probation. This scheme was expired on December 21, 2020 and was accepted by 29 employees (Accepted Employees"). The said VRS 2020 scheme was not accepted by majority of employees and the Company wanted to achieve optimum level of manpower by reducing the existing workforce strength based on the organizational requirements and operational efficiency and cost reduction. Therefore, subsequently in January 2021 the Board approved and introduced a new Voluntary Retirement Scheme 2021 ("VRS 2021") which contained enhanced compensation and benefits as agreed to between the Company and the Union, for all permanent staff and workers of the Company including those on probation excluding the Accepted Employees. However, as per terms of the VRS 2021, the Accepted Employees may be entitled to receive enhanced compensation and benefits as stated in the VRS 2021 in lieu of the benefits and compensation mentioned under the VRS 2020 subject to certain conditions. The VRS 2021 expired on January 25, 2020 and was accepted by 53 employees. Further, Accepted Employees have accepted conditions set out in the VRS 2021. Employee expenses for the year include Rs. 167,338 ['000] towards Voluntary Retirement Scheme benefit and amount payable as at March 31, 2021 amounting to Rs. 22,939 ['000] is included under 'Other financial liabilities' in note 12(c).

Note 38:

The Company had received an advance of Rs.12,500 ('000) against a total contract value of Rs. 13,000 ('000) for the transfer of leasehold rights in residential flats at Patalganga for two set of properties. During the financial year 2016-17 the Company got necessary approvals from local authorities/executed necessary documents in relation to one set of properties accordingly transfer of the said flats in the name of buyer was completed and recognised income of Rs. 10,000 ('000). The transfer of leasehold rights in second set of properties i.e. worker's flat was subject to necessary approval from the authorities. However, the Company had executed an 'Agreement of Assignment' (which is not registered with local authority due to non-availability of required documents) for transfer of Leasehold Rights and had also given possession of the said worker's flat in financial year 2016-17. In previous years the advance consideration for the worker's flat of Rs. 2,500 ('000) had been disclosed under the head "Advance received against disposal of property, plant & equipment" under Other Current Liabilities in the financial statements.

(All amounts "Rs. in '000" unless otherwise stated)

As the possession of these flats had already been transferred, therefore, in the year ended March 31, 2021, income of Rs. 2,500 ('000) has been recognized and shown under the head "Net Gain on disposal of property, plant & equipment" under Other Income.

Note 39:

The Managing Director of the Company, Mr. Brijesh Arora, resigned w.e.f. December 10, 2020 and the vacancy caused due to his resignation was yet to be filled till closure of the financial year ended March 31, 2021. Therefore, the Company as on March 31, 2021 did not have any Executive Director on its board as required under the regulation 17(1)(a) of SEBI (Listing Obligations & Disclosure requirements) Regulations 2015. Further as per section 203 of the Companies Act, 2013 such vacancy is to be filled up within the period of six months from the date of such vacancy. Subsequent to the year end, the Board of Directors have appointed Mr. Vinod Paremal as the managing director of the Company in its meeting dated April 30, 2021 which is subject to approval by a resolution at the next general meeting of the company.

Note 40:

Due to COVID-19 pandemic there is no major impact on the business of the Company as our plant operations had already been suspended since October 26, 2019 due to refusal of Consent to operate by UP Pollution Control Board (UPPCB). The Company does not have any outstanding debt or other financing agreements. The Company have adequate digitized systems which ensured us to have smooth internal financial reporting and control in this situation.

Note 41:

The financial statements for the year ended March 31, 2021 are not prepared on going concern basis and considering this, various adjustments described in note 36 are included under the respective financial statement line items. However, the previous year figures are based on going concern, therefore the previous year figures are not comparable with current year figures.

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration No.: 304026E/E-300009

Sd/-

Charan S. Gupta

Partner

Membership No. 093044

Place : Gurugram

Date : May 31, 2021

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

Sd/-

Sonia Prashar

Director

DIN: 06477222

Place: New Delhi

Sd/-

Shivangi Negi

Chief Financial Officer

Place: Noida

Date : May 31, 2021

Sd/-

Paremal Narayanan Vinod

Managing Director

DIN: 08803466

Place: Mumbai

Sd/-

Swati Surhatia

Company Secretary

Place: New Delhi



INSILCO LIMITED

(under voluntary liquidation w.e.f. 25.06.2021)

A-5, UPSIDC Industrial Area,
Bhartiagram, Gajraula - 244223,
Uttar Pradesh, India