



INSILCO LIMITED



23rd Annual Report 2010-11



CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Matthias Hau - Managing Director
Mr. Dara Phirozeshaw Mehta - Chairman
Mr. Andreas Bernd Fischer - Director
Mr. Hans Wolfgang Wilhelm Kirches - Director
Dr. Mustafa Siray - Director
Dr. Gurnad Singh Sodhi - Director
Mr. Keki Manchersha Elavia - Director

VICE PRESIDENT (FINANCE & ACCOUNTS) & COMPANY SECRETARY

Mr. Brijesh Arora

STATUTORY AUDITORS

M/s. Price Waterhouse
Building 8, 7th & 8th Floor,
Tower-B, DLF Cyber City,
Gurgaon-122002, Haryana

INTERNAL AUDITORS

M/s. T. R. Chadha & Co.
B-30, Connaught Place,
New Delhi -110001

BANKERS

BNP Paribas
The Royal Bank of Scotland N.V.

REGISTERED OFFICE & WORKS

A-5, UPSIDC Industrial Estate,
Bhartiagram, Gajraula -244223,
Uttar Pradesh
Phone : (05924) 252341 & 42
Fax : (05924) 252348

CORPORATE OFFICE

Office No. 1 & 2,
12th Floor, DLF Building No. 9,
Tower B, DLF Cyber City,
Phase III, Gurgaon-122002,
Haryana
Phone : (0124) 4874555
Fax : (0124) 4874553

REGISTRAR & SHARE TRANSFER AGENT

MCS Limited
F-65, 1st Floor,
Okhla Industrial Area,
Phase-I, New Delhi-110020
Phone : (011) 41406149/41406151/41406152/
41709885/41609386
Fax No. : (011) 41709881
Email : mcscomplaintsdel@mcsdel.com

Company Website

Visit Insilco at : www.insilcoindia.com
www.evonik.com

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Message from Managing Director

Dear Members,

It gives me immense pleasure to share with you through this Annual Report, the results and progress of Insilco during the last financial year.

We have seen another year of robust performance and stable financial results. Insilco achieved Sales of Rs. 709 Million in 2010-11 and Profit after Tax stands at Rs. 47 Million.

I am glad to inform you that the implementation of the expansion project of the Company is at full swing and expected to be completed by the end of October, 2011. We have world class manufacturing technology available through our parent company Evonik Degussa GmbH, Germany which is also rendering technical support for the said expansion.

In our continuous endeavor to provide our customers with innovative and quality products, we have introduced a highly dispersible silica to our product range. Supporting sophisticated applications, particularly in the tire segment, the product is receiving very encouraging feedback from reputed customers.

We are working relentlessly to retain the competitive edge in the quality of our products. Our valued customers are the most essential element of our business at all the times and we will continue to provide them with products and services of international standards.

The Indian economy remains buoyant. There are inherent opportunities available for the Company as most of the industrial segments having silica applications are growing at or even above GDP. We are very well positioned because of our strengths built up over the decades. The stable performance in the recent years as well as our plans for the future enhance our belief that we will participate in the respective growth. Being innovative, quality-focused and at the same time paying high attention to our ethical values and social responsibilities will remain key elements of your Company.

I am confident that our business will deliver a robust operating performance in the years to come and we shall strive further to create significant value for our investors. Last but by no means least, I would like to sincerely thank for all the support and confidence you have placed in Insilco. We will continue to do our utmost to live up to your expectations and trust.

With best wishes,

A handwritten signature in black ink, appearing to read 'M. Hau'.

Matthias Hau
Managing Director

Date : 3rd June 2011

Place : Gurgaon

NOTICE

Notice is hereby given that Twenty Third Annual General Meeting of Insilco Limited will be held at the registered office of the Company as under:

Day & Date : **Friday, 5th August 2011**

Time : **10.30 a.m.**

Venue : **Insilco Limited**

A-5, UPSIDC Industrial Estate, Bhartiagram, Gajraula - 244223, Uttar Pradesh

to transact the following business: -

A. ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2011 and the Profit & Loss Account for the year ended on that date along with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Dara Phirozeshaw Mehta who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Keki Manchershaw Elavia, who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint statutory auditors of the Company and to consider and if thought fit, to pass with or without modification(s), the following resolution as an ordinary resolution:

"RESOLVED THAT subject to provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, M/s. S.R. Batliboi & Associates, Chartered Accountants, (Firm Registration No. with ICAI – 101049W) be and are hereby appointed as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting of the Company, in place of retiring auditors M/s. Price Waterhouse, Chartered Accountants, Bangalore, (Firm Registration No. with ICAI - 007568S) who have expressed their unwillingness to be re-appointed.

RESOLVED FURTHER that Board of Directors of the Company be and are hereby authorized to fix the remuneration of the Statutory Auditors."

By Order of the Board

Place : Gurgaon
Date : 3rd June, 2011

(Brijesh Arora)
Vice President (Finance & Accounts)
& Company Secretary

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxies in order to be effective must be received at the Company's Registered Office at A-5, UPSIDC Industrial Estate, Bhartiagram, Gajraula - 244223, Uttar Pradesh not less than 48 hours before the time fixed for the meeting. Proxies submitted on behalf of limited companies, societies, partnership firms, etc. must be supported by appropriate resolution / authority as applicable, issued on behalf of the appointing organisation. A form of Proxy and Admission Slip is enclosed. Shareholders are requested to bring their copy of the Annual Report to the Meeting.
3. Admission restricted to members or proxies only. Members / Proxy holders are requested to produce their admission slips at the entrance of the meeting hall.
4. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy verification of attendance at the Meeting.
5. The Register of Members of the Company will remain closed for a period of 5 days from 1st August 2011 to 5th August 2011 (both days inclusive) in terms of Section 154 of the Companies Act, 1956.
6. Members are requested to send their queries, if any, to reach the Company's Registered Office at least 10 days before the date of the meeting so that information can be made available at the meeting.
7. As required under Clause 49 of Listing agreement, the particulars of Directors seeking re-appointment at Item No. 2 & 3 is given in the **Annexure-A**.
8. Under the provisions of Section 109A and 109B of the Companies Act, 1956, shareholder(s) is/are entitled to nominate in the prescribed manner, a person to whom his/her/their shares in the Company, shall vest after his/her/their lifetime. Members who are holding shares in physical form and are interested in availing this nomination facility are requested to write to the Company.
9. Copies of all documents referred to in the Notice are available for inspection at the Registered Office of the Company between 10:30 a.m. to 12:00 p.m. on all working days till the date of the Annual General Meeting.

Annexure-A

Details of the Directors seeking appointment/re-appointment at the 23rd Annual General Meeting (Pursuant to Clause 49(IV)(E) of the Listing Agreement)

1. Name of the Director : Mr. Dara Phirozeshaw Mehta

Date of Birth	13.07.1933
Date of appointment	31.12.2005
Qualifications	B.A., LL.B., LL. M.
Expertise in specific functional area	Wide experience in legal matters as Advocate, Supreme Court of India & Bombay High Court
Directorships held in other public companies (excluding Directorships in foreign and private companies & alternate directorships)	4
Memberships / Chairmanships of Committees in Public Companies	Chairmanship – 1 Membership – 1
Shareholding, if any, in the Company	Nil
Disclosure of relationship	Not related to any director of the Company

2. Name of the Director : Mr. Keki Manchersha Elavia

Date of Birth	09.04.1946
Date of appointment	02.12.2008
Qualifications	B. Com. (Hons), FCA
Expertise in specific functional area	Audit & Review and Corporate Finance (Business Valuation, Mergers and Acquisitions, Financial Restructuring, Foreign Direct Investment etc.)
Directorships held in other public companies (excluding Directorships in foreign and private companies & alternate directorships)	9
Memberships / Chairmanships of Committees in Public Companies	Chairmanship – 3 Membership – 4
Shareholding, if any, in the Company	Nil
Disclosure of relationship	Not related to any director of the Company

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 23rd Annual Report together with the Audited Accounts for the financial year ended March 31, 2011.

1. FINANCIAL HIGHLIGHTS

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

Particulars	Year Ended 31.03.2011	Year Ended 31.03.2010
Gross Turnover	709	685
Other Income	41	56
Total Expenditure (including excise duty)	(662)	(622)
Profit before Depreciation & Exceptional Items	88	119
Depreciation	(32)	(36)
Profit/(Loss) for the year before exceptional items	56	83
Profit/(Loss) on sale/(provision) for impairment of Fixed Assets	(2)	(9)
Profit/(Loss) before tax	54	74
(Provision for)/Release of Taxation	(7)	(24)
Profit/(Loss) after tax	47	50
Balance brought forward from previous year	276	226
Amount available for appropriation	323	276
Appropriations:		
Transfer to reserves	Nil	Nil
Balance carried to the Balance Sheet	323	276

2. RESULTS OF OPERATIONS

The precipitated silica production and sales during the year is 15,236 MTs and 15,213 MTs as against 15,144 MTs and 15,155 MTs respectively in the previous year.

Your Company achieved a sales turnover of Rs. 709 Million during the year as compared to Rs. 685 Million during the previous year and recorded profit before depreciation & exceptional items of Rs. 88 Million as against Rs. 119 Million in the financial year 2009-10.

The Company continues to strive for growth, higher realisations, energy optimization, better working capital management and better asset utilization.

3. FUTURE OUTLOOK

The Indian economy is experiencing strong growth. There are inherent opportunities available for the Company in a significant number of industries such as Tyres, Automotive Components, Toothpaste, Shoe Sole, Footwear, Agrochemicals and Food, all having silica applications which are growing rapidly.

The Company is expanding the production capacity for manufacture of precipitated silica at its production site at Gajraula (Uttar Pradesh) from the existing 15,000 MTs per annum to 21,000 MTs per annum. The project is expected to be completed by end of October, 2011.

We have introduced a new grade of silica, providing enhanced properties for the application of the tyre industry. We are getting encouraging feedback from reputed customers in the tyre segment.

4. DIVIDEND

No Dividend is recommended considering the expansion plans and to improve Company's financial strength.

5. TRANSFER OF FUND TO INVESTOR EDUCATION & PROTECTION FUND

The Company has transferred Rs. 18.4 Million to the investor education and protection fund during the year, pursuant to the provisions of Section 205C of the Companies Act 1956.

6. CORPORATE GOVERNANCE VOLUNTARY GUIDELINES 2009

The Central Government promulgated in December 2009, a set of Corporate Governance Voluntary Guidelines. Your Company believes in the concept of Good Corporate Governance and these guidelines are receiving appropriate attention of the Board of Directors.

7. CERTIFICATIONS AND RECOGNITIONS

The Commitment to quality is a process of continual improvement. The Company is holding ISO 9001: 2008 and ISO 14001: 2004 and HACCP Certifications. Our quality management system has successfully maintained ISO 9001: 2008 and ISO 14001: 2004 certifications through regularly scheduled annual audits and HACCP Certification through regularly scheduled bi-annual audits.

8. FIXED DEPOSITS

The Company has not accepted any deposits within the meaning of Section 58A of the Companies Act, 1956 and the rules made thereunder.

9. DIRECTORS

There is no change in the Directors of the Company during the year under review. In accordance with provisions of Companies Act, 1956 and Articles of Association Mr. Dara Phirozeshaw Mehta and Mr. Keki Manchershaw Elavia, Directors retire by rotation at the ensuing Annual General Meeting of the Company and being eligible offer themselves for re-appointment. The Board recommends their re-appointment.

10. AUDITORS

M/s. Price Waterhouse, Chartered Accountants, Bangalore, (Firm Registration No. with ICAI - 007568S) the existing Auditors, have expressed their unwillingness for re-appointment as Statutory Auditors of the Company on their retirement at ensuing Annual General Meeting (AGM). Based on the recommendation of the Audit Committee, the Board of Directors of the Company proposed the appointment of M/s. S.R. Batliboi & Associates, Chartered Accountants, (Firm Registration No. with ICAI – 101049W), member firm of Ernst & Young Global Ltd., as Statutory Auditors of the Company at the ensuing AGM. M/s. S.R. Batliboi & Associates, Chartered Accountants, (Firm Registration No. with ICAI – 101049W) have expressed their willingness to act as Statutory Auditors of the Company, if appointed, and have further confirmed that the said appointment would be in conformity with provisions of Section 224(1B) of the Companies Act, 1956. The business has been included for your consideration at Item no. 4 of the Notice of ensuing AGM.

The observations in the Auditors' Report read with the Notes to Accounts are self-explanatory and do not require any comments.

11. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 217(2AA) of the Companies Act, 1956, your Directors confirm:

- a) That in preparation of the Annual Accounts, the applicable accounting standards have been followed and there are no material departures;
- b) That we have selected such accounting policies and applied them consistently and made judgements 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 ended 31st March 2011 and of the Profit of the Company for that period;
- c) That we have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d) That we have prepared the Annual Accounts on a going-concern basis.

12. PARTICULARS OF EMPLOYEES

Information in accordance with the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 is given in Annexure 'A' to the Directors' Report.

13. PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

As required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, the particulars in respect of conservation of energy, technology absorption and foreign exchange earnings and outgo are given in Annexure 'B' to the Directors' Report.

14. CORPORATE GOVERNANCE

Pursuant to Provisions contained in the Clause 49 of the Listing Agreement with the Stock Exchanges, the following are furnished as Annexure-C forming part of this Directors Report:

- i. Report on Corporate Governance together with an Auditors Certificate on compliance of conditions of Corporate Governance as per clause 49 (VII) of the listing agreement.
- ii. Certificate by Managing Director regarding compliance of Code of Conduct by the members of Board and Senior Management as per clause 49 (I) (D)(ii) of the listing agreement.
- iii. Certificate from Managing Director/Chief Financial Officer regarding the financial statements presented to the Board as per Clause 49 (V) of the Listing Agreement.

15. MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis Report (Annexure 'D') forming part of the Corporate Governance forms part of Annual Report.

16. MATERIAL CHANGES AND COMMITMENTS EFFECTING THE FINANCIAL POSITION OF THE COMPANY BETWEEN THE END OF THE YEAR AND THE DATE OF THIS REPORT

None

17. INDUSTRIAL RELATIONS

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

18. 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, Credit Rating Agencies, Bankers, Suppliers, Customers, Employees and other Stakeholders which has 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 Degussa GmbH, Germany for providing management, technical and marketing support.

For & on behalf of the Board

Date : 3rd June, 2011

Dr. Gurnad Singh Sodhi
Director

Matthias Hau
Managing Director

Annexure – A

Information as required under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of employees) Rules, 1975 for the Financial Year ended 31st March 2011

SI. No.	Name of the Managerial Personnel/ Employee	Mr. Matthias Hau
1.	Age	48
2.	Qualification	Apprenticeship in Business Administration
3.	Experience (No. of Years)	28
4.	Designation	Managing Director
5.	Nature of duties	Overall management
6.	Date of Joining	01-05-2005
7.	Total Remuneration (Rs.)	72,54,154
8.	Previous Employment	Evonik Degussa GmbH, Germany (Formerly Degussa GmbH)

Note:

- 1. During the year no other employee was in receipt of remuneration more than the limits specified in Section 217(2A).

2. Nature of employment is contractual in nature.
3. Mr. Matthias Hau, Managing Director, is not a relative of any director of the Company.
4. The remuneration paid to Mr. Matthias Hau, Managing Director is in accordance with the approval of the Central Government.
5. Total remuneration includes Basic Salary, Company Leased Accommodation, Security at residence, Reimbursement of Club Fees/Expenses and Children Education.

Annexure – B

Information as required under Section 217(1)(e) read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

A. CONSERVATION OF ENERGY

Your Company always emphasizes on conservation of Energy and Natural Resources. We have successfully introduced some mechanical modifications during the year which resulted in significant saving of water, HSD and electricity without any major investment. This helped noticeably in Energy savings.

Total Energy Consumption and Energy Consumption per unit of Production

FORM - A

I. Power and Fuel Consumption

Particulars	Unit	For the year ended 31 st March 2011	For the year ended 31 st March 2010
1. Electricity			
(a) Purchased			
Unit	000 KWH	5,766	5,510
Total Amount	Rs. Mio.	25	22
Rate	Rs. / KWH	4.26	3.99
(b) Own Generation			
(i) Diesel Generator			
Unit	000 KWH	796	1,792
Total Amount	Rs. Mio.	8	15
Rate	Rs. / KWH	9.81	8.37
(ii) Steam Turbine/Generator			
	-	-	-
2. Furnace Oil			
Quantity	KL	4,039	4,749
Total Amount	Rs. Mio.	140	138
Average Rate	Rs./KL	34,611	29,058
3. Others/Internal Generation			
Bio Agro Fuel			
Quantity	MT	2,959	3,599
Total Cost	Rs. Mio.	13	14
Average Rate	Rs./MT	4,370	3,890
Fire Wood			
Quantity	MT	894	2,412
Total Cost	Rs. Mio.	4	13
Average Rate	Rs./MT	4,160	5,389

II. Consumption per unit of production

Particulars	Unit	For the year ended 31 st March 2011	For the year ended 31 st March 2010
i. Production- Unit	MT	15,236	15,144
ii. Electricity	000 KWH	0.43	0.48
iii. High Speed Diesel	KL	0.27	0.31
iv. Coal	-	-	-
v. Others			
BBM	MT	0.19	0.24
Fire Wood	MT	0.06	0.16

B. TECHNOLOGY ABSORPTION
Research & Development (R & D)

The Company is a manufacturing organization and is not engaged in any major Research and Development activity in India itself.

Technology absorption, adaptation and Innovation

The technology for manufacture of various grades of precipitated silica has been supplied by the parent company, Evonik Degussa GmbH, Germany. The modification of process, equipments and products are carried out to meet changes in market requirements and to improve operational efficiency. During the year, technology for manufacturing of new Silica grade has been transferred and we received encouraging feedback from large tyre manufacturers.

Benefits derived from the above efforts

Focus on value added products, technical support to customers, increase in production and higher yield.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO
(Rs. in Million)

Total Foreign Exchange used and earned	Year ended 31 st March 2011	Year ended 31 st March 2010
a) Total Foreign Exchange earned	3	53
b) Total Foreign Exchange used	13	4

Annexure - C
CORPORATE GOVERNANCE REPORT FOR THE YEAR 2010-2011
1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company, as part of the Evonik Group, believes in the concept of Good Corporate Governance involving transparency, empowerment, accountability, equity and integrity with a view to enhance stakeholders value. The Company believes that sound Corporate Governance practice provides an important framework to assist the Board in fulfilling its responsibilities. The Company has professionals on its Board of Directors.

2. BOARD OF DIRECTORS
2.1 Composition of Board

The Board of Insilco Limited consists of an optimum combination of Executive and Non- Executive Directors to ensure independent functioning of the Board. The Board has 7 Members comprising 1 Executive and 6 Non - Executive Directors. Out of Non-Executive Directors, 3 are Independent Directors. The Chairman of the Board is an Independent Director. The Composition of the Board is in conformity with clause 49 of the listing agreement 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 Committees or Chairman of more than 5 committees as specified in Clause 49, across all the companies in which he is a Director. The Directors have made necessary disclosures regarding committee positions in other companies as at 31st March 2011.

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 2011 are given below:

Name of the Director	Category	Designation	No. of Directorships, committee chairmanships/ memberships		
			Other Directorships#	Committee Chairmanship ##	Committee Memberships ##
Mr. Dara Phirozeshaw Mehta	Non Executive, Independent	Chairman	4	1	1
Mr. Matthias Hau	Executive	Managing Director	Nil	Nil	Nil
Mr. Hans Wolfgang Wilhelm Kirches	Non Executive, Non Independent	Director	Nil	Nil	Nil
Dr. Mustafa Siray	Non Executive, Non Independent	Director	Nil	Nil	Nil
Dr. Gurand Singh Sodhi	Non Executive, Independent	Director	Nil	Nil	Nil
Mr. Keki Manchershah Elavia	Non Executive, Independent	Director	9	3	4
Mr. Andreas Bernd Fischer	Non Executive, Non Independent	Director	Nil	Nil	Nil

Excludes Directorship held in Private Limited Companies, Foreign Companies, Companies formed under Section 25 of the Companies Act, 1956, Directorships held as an Alternate Director and Membership of Managing Committees of Chambers of Commerce /Professional Bodies.

In accordance with Clause 49, Chairmanships/ Memberships of only Audit Committee and Shareholders/ Investors Grievance Committees of All Public Limited Companies (Excluding Insilco Limited) have been considered.

2.3 BOARD MEETINGS AND PROCEDURE

A. BOARD PROCEDURE

The tentative annual calendar of meetings is determined at the beginning of each calendar year. 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, finalise 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 members for facilitating meaningful, informed and focused decisions at the meetings. In case of exigencies or urgency resolution are passed by circulation.

The required information as enumerated in Annexure IA to clause 49 of the listing agreement is made available to the Board of Directors for discussions and consideration at Board Meetings.

Minutes of proceedings of Board Meetings are properly recorded. The draft Minutes are circulated amongst the members of Board for their comments. The final minutes of proceedings of meetings are entered in Minutes Book.

The Board periodically reviews compliance reports made by the Managing Director and Chief Financial Officer 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 2010-11

Four Board Meetings were held during the financial year ended 31st March 2011. The Board meets at least once in a quarter with intervening gap of not more than four months as prescribed under Clause 49 of the listing agreement.

The details of the Board meetings held during the year 2010-2011 are as under:

Sl. No.	Date	Board Strength	No. of Directors Present
1	17 th May 2010	7	5
2	3 rd August 2010	7	6
3	2 nd November 2010	7	4
4	10 th February 2011	7	5

C. Attendance of Directors at Board Meetings held during the financial year 2010-2011 and at the 22nd Annual General Meeting (AGM)

Name of the Director	Attendance		Whether Attended last AGM held on 3 rd August 2010
	No. of Meetings held during the tenure	Meetings Attended	
Mr. Matthias Hau	4	4	Yes
Mr. Dara Phirozeshaw Mehta	4	4	Yes
Mr. Hans Wolfgang Wilhelm Kirches	4	0	No
Dr. Mustafa Siray	4	3	Yes
Dr. Gurnad Singh Sodhi	4	3	Yes
Mr. Keki Manchersha Elavia	4	4	Yes
Mr. Andreas Bernd Fischer	4	2	Yes

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 www.insilcoindia.com.

All the members of the Board and Senior Management Personnel have affirmed compliance to the code as on 31st March 2011.

The Declaration of Managing Director regarding compliance with Code of Conduct by Directors and Senior Management Personnel is attached to this report.

3. COMMITTEES OF THE BOARD

There are four committees of the Board namely:

1. The Audit Committee
2. The Remuneration Committee
3. The Investors Grievance Committee
4. The Risk Assessment Committee

The terms of reference of the Committees are reviewed by the Board from time to time. Meetings of each Board Committee are convened by respective committee Chairman. Matters requiring Board's attention/approval are placed before the Board after approval from committee. The minutes of the meetings of all Committees of the Board are placed before the Board for discussions/noting. The role and composition of these committees alongwith terms of reference of these committees and details of the committee meetings held during the financial year 2010-2011 and related attendance are provided below:

3.1 AUDIT COMMITTEE

The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing agreement with stock exchange read with Section 292A of the Companies Act, 1956.

A. Terms of reference

The terms of reference of the Audit Committee covers all matters specified under Clause 49 of the listing agreement with stock exchange read with Section 292A of the Companies Act, 1956 which interalia includes the following:

I. 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.

II. 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. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. 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 sub-section (2AA) of Section 217 of the Companies Act, 1956.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgement 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.
 - Qualifications in draft audit report.
5. Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
- 5A. 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 utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
6. Reviewing with the management, the performance of Statutory and Internal Auditors, adequacy of internal control systems & to ensure compliance of internal control systems.
7. 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.
8. Discussion with Internal Auditors, any significant findings and follow up thereon and scope of Internal audit.
9. 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.
10. Discussion with Statutory Auditors 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.
11. To look into the reasons for substantial defaults in the payment to the depositors, debentureholders, shareholders (in case of non-payment of declared dividends) and creditors.
12. To review the functioning of the Whistle Blower Mechanism, if any.

- 12A. 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.
13. 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.
14. 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.
15. The appointment, removal and terms of remuneration of the Chief Internal Auditor if any shall be subject to review by the Audit Committee.
16. To review and monitor management responsiveness to findings and recommendations of Internal Auditors.
17. Review the Company's Compliance with employee's benefits plans.
18. Oversee and review the Company policies regarding information technology and management information systems.

B. Composition

The Audit Committee presently comprises Four Non - Executive Directors, out of which three are Independent Directors. The Chairman of the Audit Committee is an Independent Director. The Composition of Audit Committee meets the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the listing Agreement.

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.

The composition of the Audit Committee is given below:

Name of Members	Category	Designation
Mr. Dara P. Mehta	Non Executive, Independent	Chairman
Mr. Hans Wolfgang Wilhelm Kirches	Non Executive, Non Independent	Member
Dr. Gurnad Singh Sodhi	Non Executive, Independent	Member
Mr. Keki Manchersha Elavia	Non Executive, Independent	Member

The Chairman of the Audit Committee, Mr. Dara P. Mehta was present at the 22nd Annual General Meeting of the Company held on 3rd August 2010 to answer the queries of shareholders. The Managing Director, Vice President (Finance & Accounts) & Company Secretary and Deputy Company Secretary are permanent invitees to the Audit Committee Meetings. The representatives of the Statutory Auditors are invited to attend the Audit Committee Meeting. The representatives of Internal Auditors 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

Details of Audit Committee Meetings held during the financial year 2010-2011

Four Audit Committee Meetings were held during the financial year ended 31st March 2011. The dates on which meetings were held are as follows:

Sl. No.	Date	Committee Strength	No. of Members Present
1	17 th May 2010	4	3
2	3 rd August 2010	4	3
3	2 nd November 2010	4	2
4	10 th February 2011	4	3

The intervening period between two audit committee meetings was well with in the maximum gap of four months prescribed under Clause 49 of the listing agreement.

Attendance at Audit Committee Meetings held during the financial year 2010-11:

Name of Members	Attendance	
	No. of Meetings Held during the tenure	Meetings Attended
Mr. Dara P. Mehta, Chairman	4	4
Mr. Hans Wolfgang Wilhelm Kirches	4	0
Dr. Gurnad Singh Sodhi	4	3
Mr. Keki Manchershya Elavia	4	4

3.2 Remuneration Committee

A. Terms of Reference

- 1) To approve the remuneration and commission/incentive remuneration payable to the Executive Directors.
- 2) Such other matter as Board may from time to time request the Remuneration Committee to examine and recommend.

B. Composition

The composition of the remuneration committee is given below:

Name of Members	Category	Designation
Mr. Hans Wolfgang Wilhelm Kirches	Non Executive, Non Independent	Chairman
Mr. Dara P. Mehta	Non Executive, Independent	Member
Dr. Mustafa Siray	Non Executive, Non Independent	Member
Mr. Keki Manchershya Elavia	Non Executive, Independent	Member
Dr. Gurnad Singh Sodhi	Non Executive, Independent	Member

C. Meetings and Attendance

There was no remuneration committee meeting held during the financial year ended 31st March 2011.

D. Remuneration Policy

The remuneration of executive directors of the Company is being paid as approved by the Board of Directors and Shareholders of the Company. The Remuneration Committee recommends the remuneration for executive directors before the same is considered by Board of Directors/Shareholders.

The remuneration is fixed keeping in view the overall limit laid down under the Companies Act, 1956 and also considering the overall financial results of the Company. The approval of central government is obtained wherever necessary.

a. Executive Directors

Detail of the remuneration paid to Executive Director for the Financial Year 2010 -2011

Name of Director	Designation	Salaries (Rs.)	Benefits (Rs.)	Total (Rs.)
Mr. Matthias Hau	Managing Director	21,00,000	51,54,154	72,54,154
Total		21,00,000	51,54,154	72,54,154

Period of Contract, Notice period & Severance fees

Name	Designation	Period of Contract	Notice Period	Severance Fees
Mr. Matthias Hau	Managing Director	5 Years w.e.f. 1 st May 2005 2 Years w.e.f. 1 st May 2010	6 Months notice in writing by either side	6 Months Basic Salary

b. Non-Executive Directors

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 2011.

The Non-Executive Directors are not paid any remuneration other than the sitting fee to Non-Executive Independent Directors. The Non-Executive Independent Directors are entitled to sitting fees 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. 20,000 per meeting for attending meeting of Board, Audit Committee, Investors Grievances Committee and Remuneration Committee which is within the limits prescribed under the Companies Act, 1956.

The Details of Sitting Fees paid to Non - Executive Independent Directors during the financial year 2010-2011 are as under:

Name of Directors	Sitting Fees (Rs.)				Total
	Board Meeting	Audit Committee Meeting	Investors Grievance Committee Meeting	Remuneration Committee Meeting	
Mr. Dara P. Mehta	80,000	80,000	80,000	NA	2,40,000
Dr. Gurnad Singh Sodhi	60,000	60,000	60,000	NA	1,80,000
Mr. Keki Manchershia Elavia	80,000	80,000	NA	NA	1,60,000

Employee Stock Option Scheme

The Company does not have any employee stock option scheme.

3.3 Shareholders/Investors Grievance Committee
A. Terms of Reference

The Investors Grievance 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.

B. Composition

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

The composition of the Investors Grievance Committee is given below:

Name	Category	Designation
Mr. Dara P. Mehta	Non-Executive, Independent	Chairman
Mr. Matthias Hau	Executive	Member
Dr. Gurnad Singh Sodhi	Non-Executive, Independent	Member

C. Meetings and Attendance
Details of Meetings held during the financial year 2010-2011

Four Investors Grievance Committee Meetings were held during the financial year ended 31st March 2011. The dates on which meetings were held are as follows:

Sl. No.	Date	Committee Strength	No. of Members Present
1	17 th May 2010	3	3
2	3 rd August 2010	3	3
3	2 nd November 2010	3	2
4	10 th February 2011	3	3

D. Attendance at Investors Grievance Committee Meetings held during the financial year 2010-2011

Name of Members	Attendance	
	No. of Meetings Held during the Tenure	Meetings Attended
Mr. Dara P. Mehta, Chairman	4	4
Mr. Matthias Hau	4	4
Dr. Gurnad Singh Sodhi	4	3

E. Name and Designation of Compliance Officer

Mr. Brijesh Arora, Vice President (Finance & Accounts) & Company Secretary.

The Contact details are as follows:

Address	Telephone Number	Fax Number
DLF Building No. 9, Tower B, 12 th Floor, Office No. 1 & 2, DLF Cyber City, Phase III, Gurgaon-122002, Haryana	(0124) 4874555	(0124) 4874553

F. Details of the Complaints received and redressed

Opening	Received during the year	Resolved during the year	Closing Balance
0	80	80	0

3.4 Risk Assessment Committee

The Company has constituted a Risk Assessment Committee to monitor and review the risk management activities of the Company on regular basis. The Committee comprises of the Managing Director and senior management personnel of the Company. The framework for risk assessment and minimization thereto has been evaluated and company takes adequate measures for mitigating such assessed risk.

There were held two meetings of Risk Assessment Committee during the financial year ended 31st March 2011. The details of the meetings are given below:

Sl. No.	Date	Committee Strength	No. of members Present
1	31 st January, 2011	6	6
2	28 th March, 2011	6	6

4. SUBSIDIARY

The Company does not have a subsidiary.

5. DISCLOSURES**5.1 Disclosures of related party transactions**

The required disclosures with respect to the related party transactions, if any were duly made to Audit Committee on a quarterly basis in terms of Clause 49(IV) (A) and other applicable laws.

There are no materially significant related party transactions of the Company which have potential conflict with the interest of Company at large. The related party transactions have been disclosed under note 3 on schedule 20 B forming part of Annual Accounts.

5.2 Details of Non-Compliance by the Company, penalties and strictures imposed on the Company by the Stock Exchange or SEBI or any statutory authorities on any matter related to capital markets during last three years: None

5.3 Whistle blower Policy and affirmation that no personnel has been denied access to the Audit Committee:

The Company has not adopted a Whistle Blower Policy. The Company has not denied access to any personnel to approach the management on any issue.

5.4 Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this clause:

The Company has complied with all the mandatory requirements of the Clause 49 of the Listing Agreement. The Company has not adopted any non-mandatory requirement of the Clause 49.

5.5 Disclosure of Accounting Treatment

There is no deviation in following the treatment prescribed in any Accounting Standards (AS) in the preparation of financial statements of the Company.

5.6 Detail of Public Funding

We have not obtained any public funding during the financial year ended 31st March 2011.

5.7 Inter-se Relationship between directors of the Company

None

6. Management

Management discussion and analysis of results of operations and financial condition is included in the Annual Report for the financial year 2010-2011 and this report contains all the applicable information specified under Clause 49 of listing agreement. The disclosures have been made by all Senior Management Personnel for the financial year 2010-2011 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.

7. Shareholders

The brief resume of all the directors retiring by rotation and re-appointed are available in this report in the notice of the 23rd 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.

8. CEO/CFO Certification

The Certificate required under Clause 49(V) of the listing agreement duly signed by CEO and CFO has been given to Board and attached as Annexure - I to this report. As required by clause 49 of the listing agreement, the certificate signed by CEO & CFO was placed before the board of directors at its meeting held on 24th May 2011.

9. The Company submits a quarterly compliance report on corporate governance signed by Compliance officer to the Stock Exchange within 15 Days from the close of the corresponding quarter.**10. The Statutory Auditors certificate, as stipulated in Clause 49 of the listing agreement with Stock Exchange that Company has complied with conditions of corporate governance is annexed to the Directors' Report. This certificate will be forwarded to the Stock Exchanges alongwith the Annual report of the Company.****11. Means of Communications****11.1 Quarterly Results**

The quarterly results of the Company are announced within 45 days of completion of the quarter. Audited Annual Results are announced within two months from the end of the financial year. The Company regularly intimates unaudited as well as audited financial results to the stock exchanges, immediately after these are approved. The quarterly and annual financial results are normally published in "Financial Express, All India Edition (English Language)" and "Jansatta (Vernacular Language)".

11.2 Annual Report

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

11.3 The Company also ensures that financial results are promptly and prominently displayed on Company Website www.insilcoindia.com.

11.4 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 are promptly and prominently displayed on Company Website www.insilcoindia.com.

11.5 The official news releases and presentation to institutional investors and analysts whenever made by the Company are displayed on the Company's Website.

12. General Body Meetings

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

General Meeting	Date	Time	Location	Special Resolutions Passed
22nd Annual General Meeting	3 rd August, 2010	1100 hrs	A-5, UPSIDC Industrial Estate, Bhartiagram, Gajraula - 244223, Uttar Pradesh	None
21st Annual General Meeting	24 th July, 2009	1030 hrs	A-5, UPSIDC Industrial Estate, Bhartiagram, Gajraula - 244223, Uttar Pradesh	Re-appointment of Mr. Matthias Hau as Managing Director
20th Annual General Meeting	10 th September, 2008	1200 hrs	A-5, UPSIDC Industrial Estate, Bhartiagram, Gajraula - 244223, Uttar Pradesh	None

12.1 Postal Ballot

No Special Resolution requiring a postal Ballot is proposed for ensuing Annual General Meeting.

13. GENERAL SHAREHOLDERS INFORMATION

13.1 Particulars of ensuing Annual General Meeting

Date	5 th August 2011
Time	10.30 a.m.
Day	Friday
Venue	A-5, UPSIDC Industrial Estate, Bhartiagram, Gajraula-244223, Uttar Pradesh
Financial year	31 st March 2011
Book Closure dates	1 st August 2011 to 5 th August 2011 (both days inclusive)
Dividend Payment Dates	No dividend has been recommended for the financial year 2010-11.

13.2 Financial Calendar 2011-2012 (Tentative)

Financial Year 2011-12	
1 st Quarter Results for quarter ending 30 th June 2011	5 th August 2011
2 nd Quarter Results for quarter ending 30 th September 2011	November 2011
3 rd Quarter Results for quarter ending 31 st December 2011	January / February 2012
4 th Quarter Results for quarter / Annual Accounts for the period ending 31 st March 2012	May 2012
24 th Annual General Meeting	July / August 2012

13.3 Listing on Stock Exchange (With Stock Code)

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

13.4 Listing Fee

Annual listing fee for the year 2011-2012 has been paid to Bombay Stock Exchange.

13.5 ISIN No. in NSDL & CDSL: INE901A01011

The Company has paid the annual custodial fees for the year 2011-12 to both depositories namely National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

13.6 Stock Market Data

The Monthly High/Low stock prices of Company Equity Shares at Bombay Stock Exchange and BSE Sensex during financial year 2010-2011 are given below:

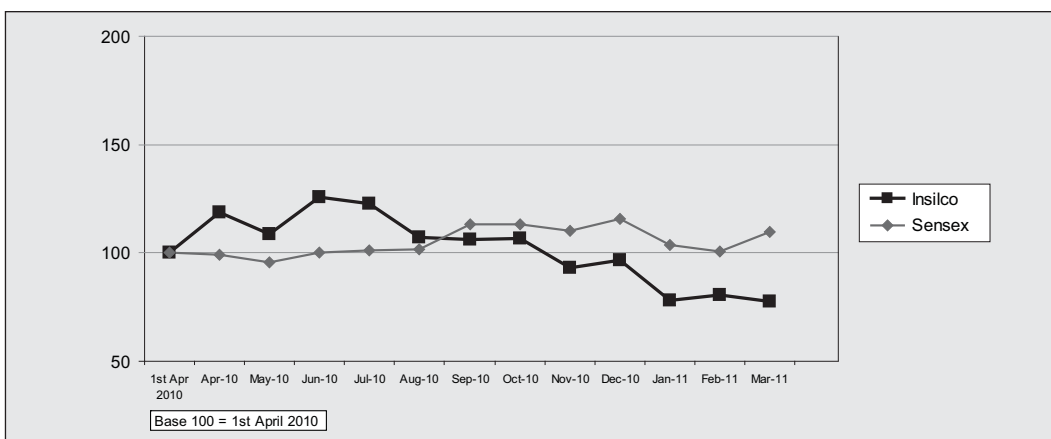
Month	Bombay Stock Exchange			
	Insilco Share Price		BSE Sensex	
	High (Rs.)	Low (Rs.)	High	Low
April 2010	24.00	17.25	18047.86	17276.80
May 2010	25.00	16.25	17536.86	15960.15
June 2010	24.00	17.75	17919.62	16318.39
July 2010	26.00	21.05	18237.56	17395.58
Aug 2010	23.95	18.00	18475.27	17819.99
Sep 2010	20.80	18.05	20267.98	18027.12
Oct 2010	21.50	16.00	20854.55	19768.96
Nov 2010	20.90	16.20	21108.64	18954.82
Dec 2010	18.30	15.95	20552.03	19074.57
Jan 2011	18.00	13.60	20664.80	18038.48
Feb 2011	15.50	13.10	18690.97	17295.62
Mar 2011	15.30	12.00	19575.16	17792.17

Source: www.bseindia.com

13.7 Stock Performance in Comparison to BSE Sensex

The performance of the Company's Closing Share price relative to the BSE Sensex for the year 2010-11 is given in the chart below:

INSILCO Closing Price vs BSE Sensex Closing April 2010 to March 2011



13.8 Registrar and Transfer Agent

M/s. MCS Ltd.,
F-65, 1st Floor, Okhla Industrial Area,
Phase-I, New Delhi-110020

Contact Details are:

Phone Numbers : (011) 41406149/ 41406151/ 41406152/ 41709885/ 41609386
Fax Number : (011) 41709881
Email Address : mcscomplaintsdel@mcsdel.com

13.9 Share Transfer System

The application for Transfer, Transmission and issue of duplicate shares are received at the office of Registrar Transfer Agent, M/s. MCS Limited or by Company at its registered office. The Transfers & Transmission of shares in physical form is normally processed within 12-15 days from date of receipt of documents complete in all respects.

13.10 Share Transfer Committee

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 Board Meetings.

Composition

- i. Mr. Matthias Hau, Managing Director
- ii. Dr. Gurnad Singh Sodhi, Director
- iii. Mr. Brijesh Arora, Vice President (Finance and Accounts) & Company Secretary

The Committee met 24 times during the year.

Pursuant to Clause 47C of the listing agreement, certificate on half yearly basis confirming due compliance of Share Transfer formalities by RTA and timely dematerialisation of shares as per SEBI (Depositories and Participants) Regulations, 1996 is 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 Securities and Exchange Board of India (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 Audit Report is submitted to the Stock Exchange.

13.11 Dematerialisation of Shares & Liquidity

The shares of the Company are in compulsory dematerialised segment and are available for trading system of both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

The details of the no. of shares held in dematerialised form and physical mode as on 31st March 2011 are as follows:

Name	Physical		Demat		Total	
	No. of Shares	% to Paid up capital	No. of Shares	% to Paid up capital	No. of Shares	% to Paid up capital
Evonik Degussa GmbH, Germany (Formerly Degussa GmbH), Foreign Promoters	4,58,53,315	73.11	0	0	4,58,53,315	73.11
Others	30,71,652	4.90	1,37,90,033	21.99	1,68,61,685	26.89
Total	4,89,24,967	78.01	1,37,90,033	21.99	6,27,15,000	100.00

13.12 As on 31st March 2011, the Distribution of Shareholding of the Company was as follows:

No. of Equity Shares held	No. of Shares held	% to Total	No. of Shareholders	% to Total
1 to 500	58,47,391	9.32	42,080	91.20
501 to 1000	18,84,814	3.01	2,268	4.92
1001 to 2000	13,88,452	2.21	900	1.95
2001 to 3000	7,26,474	1.16	280	0.61
3001 to 4000	4,73,425	0.75	131	0.28
4001 to 5000	6,19,524	0.99	130	0.28
5001 to 10000	14,06,167	2.24	186	0.40
10001 to 50000	31,01,659	4.95	149	0.32
50001 to 100000	5,59,325	0.89	9	0.02
100001 and above	4,67,07,769	74.48	7	0.02
Total	6,27,15,000	100.00	46,140	100.00

13.13 Shareholding Pattern of the Company as on 31st March 2011

Holders	No. of Shares	% to total
Promoters – Evonik Degussa GmbH (Formerly Degussa GmbH)	4,58,53,315	73.11
Residents (Individual)	1,47,10,442	23.46
Financial Institutions and Banks	23,780	0.04
Non-Resident Individuals/ OCBs	2,36,237	0.38
Indian Corporate Bodies/ Trusts	18,77,166	2.99
Mutual Funds/ Insurance Companies	14,060	0.02
Total	6,27,15,000	100.00

13.14 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.

13.15 Plant Location

Gajraula	A-5, UPSIDC Industrial Estate, Bhartiagram, Gajraula -244223, Uttar Pradesh
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13.16 Address for Correspondence

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

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

Following are the contact numbers:

Phone Numbers : (011) 41406149 / 41406151/41406152 / 41709885 / 41609386

Fax Number : (011) 41709881

Email Address : mcscomplaintsdel@mcsdel.com

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

Office No. 1 & 2,
12th Floor,
DLF Building No. 9,
Tower B, DLF Cyber City,
Phase III, Gurgaon-122002,
Haryana

Telephone : (0124) 4874555

Fax No. : (0124) 4874553

Email address : insilco@evonik.com

AUDITORS' CERTIFICATE REGARDING COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE

To

The Members of Insilco Limited

We have examined the compliance of conditions of Corporate Governance by Insilco Limited, for the year ended March 31, 2011 as stipulated in Clause 49 of the Listing Agreement(s) of the said Company with stock exchange in India.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance (as stipulated in Clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and 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.

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 in the above mentioned Listing Agreement.

We 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.

Place : Gurgaon
Date : 3rd June, 2011

For Price Waterhouse
Firm Registration Number 007568S
Chartered Accountants

Rajib Chatterjee
Partner
Membership No. F-57134

Annexure - D

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Overall Review

Insilco reported satisfactory financial results in the Financial Year 2010-11. The sales turnover grew marginally by 4% as compared to the previous year. The Company has world class manufacturing technology available through the support of the parent company Evonik Degussa GmbH, Germany. The advanced technologies available to the Company enables it to manufacture new and innovative products to cater for the changing requirements of the customers.

Industry Structure and Developments

Precipitated silica has rubber and non-rubber applications. The rubber applications include - Tyres, Shoe Soles, Footwear, Rice Rollers, Rubber Automotive Parts and other mechanical rubber goods. The non-rubber applications include - Plant Protection, Feed, Food, Toothpaste, Detergents, Battery Separators, Silicon Rubber, Cosmetics, Defoamers, Pharmaceuticals, Technical Powders etc.

Opportunity, Threats, Outlook, Risks and Concerns

The Indian economy is expanding dynamically. The steadily growing middle class and its increasing disposable income is driving consumer behaviour. There are inherent opportunities available for the Company as most of the industrial segments having silica application are growing at or even above GDP.

Capacity expansion projects are under implementation by other manufacturers as well to meet the growing industry demand.

Evonik Degussa GmbH, Germany is providing all necessary technical and marketing support to us to promote a higher value added product portfolio. The Company has introduced a new grade of silica to support sophisticated applications in the Tyre segment. The demand for such new product will be enhanced by the following factors:

- Rising energy costs,
- Better understanding of environmental effects,
- Consumer appreciation for better handling and safety and
- Tighter government regulations regarding fuel consumption

The Company continues to be amongst the leading manufacturers of precipitated silica in India. We consistently supply international quality products and provide our customers with technical assistance for application solutions. Our strengths include-

- Capability to introduce new, high quality products.
- Manufacturing products of International standards and maintaining product quality consistency.
- Our access to the International Sales & Marketing Network of the parent company, Evonik Degussa GmbH, Germany.
- Technical assistance extended to our valued customers with support from our local Applied Technology Lab and also from the parent company with its international network.
- Our environment friendly production site.
- Our commitment to a high standard code of conduct.

The economy in general is susceptible to possible changes in fiscal, monetary and economic policies of the Government especially with regard to fuel, power and freight costs as well as infrastructure. The major challenge for our industry is that it is raw material intensive. Many of these raw materials have commodity-like features. The fluctuation in raw material prices and volatility in Crude prices may affect the performance of the industry. The Company counters this by judicious buying, developing alternate vendors, exploring alternative sources of energy, prudent business and risk management practices, timely adjustment and maintaining a conservative financial profile.

Segment-wise or Product-wise Performance

The Company is engaged in the manufacture of a single product i.e. Precipitated Silica and hence there is only one primary segment.

Internal Control Systems and their adequacy

The Company has an adequate system of internal controls to provide reasonable assurance:

- that assets are safeguarded and protected against loss from unauthorized use or disposition.
- that transactions are authorized, recorded and reported properly and
- that accounting records are properly maintained and financial statements are reliable.

The key elements of internal control system are as follows:

- Clearly defined organization structure.
- Well-defined authorization for conducting business.
- Revenue and capital budgeting monitoring system.
- Management control through monthly MIS system.

The Company has appointed a firm of independent and reputed Chartered Accountants to conduct on-going internal audits. The Auditors have access to all records and information of the Company. The Audit Committee and Board periodically review the findings and recommendations of the auditors and take necessary corrective actions wherever necessary. The Audit Committee also reviews the performance of Internal Auditors, adequacy of Internal Control Systems and ensures compliance of Internal Control Systems. The Audit Committee and Board recognize the work of the auditors as an independent check on the information received from the management on the operations and performance of the Company. There is a risk assessment committee dealing with risks faced by the Company and to minimize/mitigate the same.

Material Developments in Human Resources/Industrial Relations Front including number of people employed

The number of employees as on March 31, 2011 was 142. Industrial Relations remained cordial.

Long term association with employees is a matter of pride for Insilco. Three employees were conferred the award of long service of 20 years during 2010-11.

Insilco continued its focus on building competencies of its human resources. There is a well structured process in place for identification of training needs and conducting of training sessions by internal and external faculties. The areas of training covered functional and behavioral aspects for all levels of employees. Employees in leadership roles were also nominated to international executive development programmes of our parent company. This has contributed to the growth and development of the employees.

Insilco pays high attention to the adherence by employees to our Code of Conduct. New employees were also imparted information about the Code. The process includes training sessions by the Compliance team from parent company.

Prohibition of Insider Trading

The Company has implemented a policy prohibiting Insider trading in conformity with applicable regulations of the Securities Exchange Board of India (SEBI). Necessary procedures have been laid down for prohibition of Insider Trading. The policy and the procedures are periodically communicated to directors and the employees who are considered as insiders of the Company. Trading window closures are intimated to all employees and directors in advance, whenever required.

Environment, Health & Safety

Your Company is committed to provide a safe environment to all its employees. During the year, the Company continued its efforts to improve safety capability in the plant. We undertook steps to strengthen the existing safety management system at the plant. Insilco's EHS commitment is to become a "zero incidents site" in all activities and operations.

We endeavor to meet this target by:

- Strictly adhering to the defined procedures set for the organization.
- Committing to process safety in all operations.
- Reinforcing the belief that all incidents are preventable.
- Involving employees, contractors, suppliers and sub-contractors in EHS initiatives through brainstorming, inspection, detection and correction.

A new sewage treatment system has been installed during the year for the residential colony to enhance the waste water management in the colony area. This is an environment friendly initiative taken by the Company to further increase the water quality in the colony area.

Group Companies as per MRTP Act

The following persons constitute the Group coming within the definition of “group” as defined in the Monopolies and Restrictive Trade Practices Act, 1969 (54 of 1969), which exercises, or is established to be in a position to exercise control directly or indirectly, over the Company :

Sl.No.	Name of Person / Entity	Year of Incorporation / Control
1.	RAG-Stiftung	2007
2.	Evonik Industries AG	2003
3.	Evonik Degussa GmbH	1989
4.	Evonik International Holding B.V.	2010

The above disclosure has been made, inter alia, for the purpose of Regulation 3(1)(e) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997.

Discussion on financial performance with respect to operational performance

A. Financial Position

1. Share Capital

The Company has one class of shares - equity shares of par value Rs. 10 each. The authorized share capital of the Company is Rs. 657.15 Million (Mio.) divided into 6,57,15,000 equity shares of Rs. 10 each. The issued, subscribed and paid-up share capital stood at Rs. 627.15 Mio. as on year ended March 31, 2011.

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

2. Reserves and Surplus

The balance retained in the Profit & Loss Account as on March 31, 2011 is Rs. 333.26 Mio. The book value per share is Rs. 15.31 as at the year end as compared to Rs. 14.57 at the end of previous year.

3. Deferred Tax Liabilities

The net deferred tax liabilities as at the year end are of Rs. 26.34 Mio. The Deferred tax liabilities/Assets represent tax impact of the timing differences in financial and tax books arising from depreciation on assets, provision for doubtful debts, expenditure debited to Profit & Loss Account in one year but allowed for tax purposes in following years.

4. Fixed Assets

The additions made to Fixed Assets are of Rs. 22.23 Mio. during the current year which includes Rs. 5.04 Mio. towards Plant and Machinery and 7.56 Mio. towards Leasehold Improvement. The capital work-in-progress is of Rs. 58.99 Mio. which represents advances paid towards acquisition of fixed assets and the cost of assets not put to use. During the year, the Company retired/ transferred various assets with a gross value of Rs. 123.57 Mio. There is no change in the impairment provisions on Fixed Assets of Rs. 9.32 Million which had been made during the previous financial year 2009-10.

5. Investments

Investments of Rs. 169.30 Mio. at the end of the year represents the investments in Mutual Funds. Investments include long term investments of Rs. 161.30 Mio. and short term investments of Rs. 8.00 Mio. The Net Asset Value (NAV) of long term Investments in Mutual Funds is of Rs. 169.81 Mio. and NAV of short term investments in Mutual Funds is Rs. 8.25 Mio. as at the end of the year. Investments as on 31st March 2011 represent investments in Mutual funds having exposure to Government securities which are considered as safest securities.

6. Sundry Debtors

Sundry Debtors amount to Rs. 124.95 Mio. (net of provisions of Rs. 1.14 Mio.) as of March 31, 2011 as compared to Rs. 111.64 Mio. (net of provisions of Rs. 0.80 Mio.). These debtors are considered to be good and realizable. The need for provisions is assessed based on various factors including collectability of specific dues, risk perception of the industry in which the customer operates and other general factors. Provisions are made for debtors depending on the management's perception of risk. Debtors are 17.61% of revenue for the year ended March 31, 2011 as compared to 16.30% of revenue for the year ended March 31, 2010. This represents an outstanding of 64 days of revenue for the year as compared to 59 days in the previous year.

7. Inventories

Inventories amount to Rs. 106.26 million as on 31st March 2011 compared to Rs. 69.85 million as on 31st March 2010. The inventory has been increased by Rs. 36.41 million during the year. The level of inventory in relation to sales has increased by 5.13%.

8. Cash and Bank Balances

As at March 31, 2011, the Company had a cash and bank balance of Rs. 290.90 Mio. This represents 27.43 % of total assets and 41.00 % of the revenue of the current year.

9. Other Current Assets

Other current assets of Rs.13.51 Million include assets held for disposal of Rs. 5.25 Million (Net of impairment provisions of Rs. 1.98 Million) at lower of value or estimated realizable value. There has been made impairment provision during the current year of Rs. 1.98 Mio. on assets held for sale.

10. Loans and advances

Net Loans and Advances amount to Rs. 55.90 Mio. as of March 31, 2011. Loans and Advances include Rs. 13.11 Mio. towards advance income tax, Rs. 15.31 Mio. towards advances recoverable in cash and kind, Rs. 10.71 Mio. towards deposits, Rs.15.15 Mio towards MAT credit entitlement and Rs. 1.80 Mio. towards loans extended to the employees. Loans to employees are to enable purchase of assets or to meet any emergency requirements. Advance tax represents payments made towards tax liability and refunds due.

11. Current Liabilities

The Company owes an amount of Rs. 62.90 Mio. (representing 10.01% of total expenditure for the year ended March 31, 2011). These liabilities include the following:

Particulars	As of March 31, 2011 Rs. in Mio.
Sundry Creditors	43.05
Advance received against disposal of Fixed Assets	12.50
Retention Money & Security Deposits	2.15
Other Liabilities	5.20

12. Provisions

Provisions as at the year end are of Rs. 10.87 Mio. Provisions represent liabilities provided for Gratuity, Leave Encashment & Long Service Awards for employees.

13. Net Current Assets

Net Current Assets as on 31st March 2011 are Rs. 517.75 Mio. as compared to Rs. 417.06 Mio. in the previous year. There has been significant improvement in effective working capital management during the financial year 2010-11. There has been released liquidity from working capital to the tune of Rs. 100.68 Mio.

B. Results of Operations**1. Cash Generated from operations**

Net Cash generated from operating activities is Rs. (-)7.35 Mio. as compared to Rs. 148.92 in the previous year.

2. Turnover

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

Particulars	(Rs. in Mio.)	
	Year ended 31.03.2011	Year ended 31.03.2010
Gross Turnover	709	685
Less: Excise Duty	66	49
Net Turnover	643	636

3. Net Profit After Tax

The Net profit reduced by 6% to Rs. 46.91 million for the year ended 31st March 2011 from Rs. 50.08 million in the previous year. This represents 6.61% of Sales for the year ended 31st March 2011 as compared to 7.31% for the year ended 31st March 2010.

4. Earnings Per Share

The basic EPS reduced by 6% during the year to Rs. 0.75 per share from Rs. 0.80 per share in the previous year.

5. Raw Material Consumption

The raw material consumption for current year is Rs. 247.86 Mio. as compared to Rs. 167.04 Mio. for previous year. The Company followed the procurement model of cullet instead of producing in house cullet

6. Personnel Expenses/ Employee Remuneration and Benefits

The employees' remuneration and benefits for the year ended 31st March 2011 are Rs. 55.20 Mio. as compared

to Rs. 48.78 Mio. for the year ended 31st March 2010. The Company has 142 employees as on 31st March 2011 on its rolls.

7. Operating and Other Expenses

The operating and other expenses for the year ended 31st March 2011 are Rs. 292.91 Mio. as compared to Rs. 316.79 Mio. for the year ended 31st March 2010. The operating and other expenses included various expenses pertaining to the Plants and Head Office of the Company. It includes Power & Fuel expenses, Repairs & Maintenance expenses, Freight & Forwarding charges, Packing expenses, Rent, Insurance, Selling & Marketing Expenses, Travelling and Conveyance expenses, etc.

8. Depreciation

There has been provided a sum of Rs. 32.27 Mio. towards depreciation for the year ended March 31, 2011 representing 4.55% of gross sales. The depreciation as a percentage of average gross block is 3.43 % for the year ended March 31, 2011.

FINANCIAL DATA FOR THE YEAR ENDED MARCH 31, 2011

[Rs. in Mio. except ratios, per share data and other information]

Description	March 09	March 10	March 11
Financial Performance			
Sales	709.38	685.06	709.49
Profit before Interest Expense, Depreciation, Exceptional Items and Tax	36.57	118.94	88.76
Interest Expenses	0.41	0.15	0.19
Depreciation and Amortization	38.48	36.10	32.27
(Profit)/Loss on Exceptional Items	(11.24)	8.66	1.98
Profit Before tax	8.92	74.03	54.32
Taxation charge / (Release)	1.27	23.95	7.41
Profit after Tax	7.65	50.08	46.91
Balance Sheet			
Share Capital	627.15	627.15	627.15
Reserves and Surpluses	236.27	286.36	333.26
Net Worth	863.42	913.51	960.41
Long Term Debt	-	-	-
Net Fixed Assets	298.39	265.15	299.71
Investments	240.00	254.84	169.30
Net Current Assets	342.69	417.06	517.74
Total Assets	959.58	1,088.16	1,060.52
Per Share Data			
Basic EPS (Rs.)	0.12	0.80	0.75
Book Value per share (Rs.)	13.77	14.57	15.31
Other Information			
Number of Shareholders	49,570	47,411	46,139

RATIO ANALYSIS FOR THE YEAR ENDED MARCH 31, 2011

Description	Mar-09	Mar-10	Mar-11
Ratios-Financial Performance			
Export Sales/ Total Sales [%]	7%	8%	0%
Domestic Sales/ Total Sales [%]	93%	92%	100%
Gross Profit/ Total Sales [%]	21%	31%	27%
Profit Before Interest Expense, Depreciation, Exceptional Item &Tax/ Total Sales [%]	5%	17%	13%
Profit Before Interest Expense, Depreciation &Tax/ Total Sales [%]	7%	16%	12%
Ratios-Balance Sheet			
Debt Equity Ratio (Long Term Debt : Equity)	-	-	-
Current Ratio	5.37	3.76	8.02
Days Sales Outstanding (DSO)	66	59	64
Depreciation/ Average Gross Block	3.62%	3.68%	3.43%

AUDITORS' REPORT TO THE MEMBERS OF INSILCO LIMITED

1. We have audited the attached Balance Sheet of Insilco Limited (the "Company") as at March 31, 2011, and the related Profit and Loss Account and Cash Flow Statement for the year ended on that date annexed thereto, which we have signed under reference to this report. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004 (together the "Order"), issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the annexure a statement on the matters specified in paragraphs 4 and 5 of the order.
4. Further to our comments in paragraph 3 above, we report that:
 - (a) We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Act;
 - (e) On the basis of written representations received from the directors, as on March 31, 2011 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act;
 - (f) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements together with the notes thereon and attached thereto give, in the prescribed manner, the information required by the Act, and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) in the case of the Balance Sheet, of the state of affairs of the company as at March 31, 2011;
 - (ii) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
 - (iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

For Price Waterhouse
Firm Registration Number: 007568S
Chartered Accountants

Place : Gurgaon
Date : May 24, 2011

Rajib Chatterjee
Partner
Membership Number F-57134

Annexure to Auditors' Report

Referred to in paragraph 3 of the Auditors' Report of even date to the members of Insilco Limited on the financial statements for the year ended March 31, 2011

1. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
(b) The fixed assets 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 fixed assets has been physically verified by the Management during the year and no material discrepancies between the book records and the physical inventory have been noticed.
(c) In our opinion and according to the information and explanations given to us, a substantial part of fixed assets has not been disposed of by the Company during the year.
2. (a) The inventories have been physically verified by the management during the year. Stocks in transit at the year end have been verified by the management with reference to subsequent receipt and/or relevant documents. In our opinion, the frequency of verification is reasonable.
(b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) On the basis of our examination of the inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
3. (a) The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 301 of the Act.
(b) The Company has not taken any loans, secured or unsecured, from companies, firms or other parties covered in the register maintained under Section 301 of the Act.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
5. (a) In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in Section 301 of the Act have been entered in the register required to be maintained under that section.
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees Five Lakhs in respect of any party during the year have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the rules framed there under.
7. In our opinion, the Company has an internal audit system commensurate with its size and nature of its business.
8. The Central Government of India has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act for any of the products of the Company.
9. (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 regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities.
(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income-tax, sales-tax and entry tax as at March 31, 2011 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	3,702,269	AY 1990-91 AY 1991-92 AY 1998-99	Delhi High Court
Income Tax Act, 1961	Income Tax	38,355,553	AY 1992-93 AY 1993-94 AY 2003-04 AY 2004-05	CIT(A)
Income Tax Act, 1961	Income Tax	3,170,532	AY 1997-98 AY 2002-03	Income Tax Appellate Tribunal
Uttar Pradesh Tax on Entry of Goods into Local Areas Act, 2007	Entry Tax	2,660,800	2008-09	Tribunal, Commercial Tax, Moradabad, Uttar Pradesh
Bombay Sales Tax Act, 1959	Sales Tax	21,694,999	2004-2005	Joint Commissioner of Sales tax (Appeal)

10. The Company has no accumulated losses as at March 31, 2011 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
11. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
12. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The provisions of any special statute applicable to chit fund / nidhi / mutual benefit fund/ societies are not applicable to the Company.
14. In our opinion, the Company is not a dealer or trader in shares, securities, debentures and other investments.
15. In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
16. The Company has not obtained any term loans.
17. On the basis of an overall examination of the balance sheet of the Company, in our opinion and according to the information and explanations given to us, there are no funds raised on a short-term basis which have been used for long-term investment.
18. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of the Act during the year.
19. The Company has not issued any debentures during the year, accordingly, the provisions of section 4 (xix) of the Order are not applicable to the Company.
20. The Company has not raised any money by public issues during the year.
21. 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 fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.

For Price Waterhouse
Firm Registration Number: 007568S
Chartered Accountants

Rajib Chatterjee
Partner
Membership Number F-57134

Place : Gurgaon
Date : May 24, 2011

Balance Sheet as at March 31, 2011

	Schedules	As at 31-March-2011 (Rs.)	As at 31-March-2010 (Rs.)
SOURCES OF FUNDS			
Shareholders' Funds			
Share capital	1	627,150,000	627,150,000
Reserves and surplus	2	333,262,273	286,355,423
Loan Fund			
Secured loan	3	-	8,000,846
Deferred tax liabilities (net)	4	26,339,952	15,549,564
TOTAL		986,752,225	937,055,833
APPLICATION OF FUNDS			
Fixed Assets			
Gross block	5	890,074,926	991,409,441
Less : Depreciation & impairment		649,355,245	733,054,343
Net block		240,719,681	258,355,098
Capital work in progress		58,985,396	6,799,285
		299,705,077	265,154,383
Investments	6	169,301,866	254,837,873
Current Assets, Loans And Advances			
Inventories	7	106,260,627	69,846,351
Sundry debtors	8	124,952,477	111,640,850
Cash and bank balances	9	290,896,263	284,960,938
Other current assets	10	13,505,061	68,188,704
Loans and advances	11	55,903,530	33,740,128
		591,517,958	568,376,971
Less : Current Liabilities and Provisions			
Liabilities	12	62,900,398	142,395,193
Provisions	13	10,872,278	8,918,201
		73,772,676	151,313,394
Net Current Assets		517,745,282	417,063,577
TOTAL		986,752,225	937,055,833
Significant Accounting Policies & Notes to Accounts	20		

The schedules referred to above form an integral part of the Balance Sheet.
This is the Balance Sheet referred to in our report of even date.

For Price Waterhouse

Firm Registration No.: 007568S
Chartered Accountants

Rajib Chatterjee

Partner
Membership No.F-57134

**For and on behalf of the Board of Directors
of Insilco Ltd.**

Dara P. Mehta
Chairman

Matthias Hau
Managing Director

Brijesh Arora

Vice President (Finance & Accounts)
& Company Secretary

Place : Gurgaon
Date : May 24, 2011

Place : New Delhi
Date : May 24, 2011

Profit & Loss Account for the year ended March 31, 2011

	Schedules	For the year ended 31-March-2011 (Rs.)	For the year ended 31-March-2010 (Rs.)
INCOME			
Turnover (Gross)		709,489,600	685,060,741
(Net of claims and rebates Rs. 5,324,330; Previous year Rs.7,046,383)			
Less : Excise duty		(65,790,894)	(49,345,781)
Turnover (Net)		643,698,706	635,714,960
Other income	14	41,299,712	56,156,195
Increase / (decrease) in inventories	15	(266,306)	(40,327,887)
TOTAL		684,732,112	651,543,268
EXPENDITURE			
Raw material consumed	16	247,859,611	167,036,966
Personnel expenses	17	55,203,355	48,777,613
Operating and other expenses	18	292,905,488	316,789,465
Depreciation /amortisation	5	32,272,148	36,100,968
Interest		190,961	150,839
		628,431,563	568,855,851
Profit before taxation and exceptional items		56,300,549	82,687,417
Exceptional Items			
- Impairment Provision (Net) (Refer Note 6 of Schedule 20 'B')		(1,980,710)	(8,660,176)
Profit before taxation		54,319,839	74,027,241
Provision for taxation			
Current tax		11,775,397	15,500,053
MAT credit entitlement (Including Rs. 10,217,816 for earlier year)		(15,152,796)	-
Deferred tax charge		10,790,388	8,445,000
Profit for the year after tax		46,906,850	50,082,188
Balance brought forward from previous year		276,355,423	226,273,235
Amount available for appropriation		323,262,273	276,355,423
Balance carried to Balance Sheet		323,262,273	276,355,423
Earnings per share			
Basic and Diluted earnings per share (Rs.)	19	0.75	0.80
Nominal value of shares Rs. 10			
Significant Accounting Policies & Notes to Accounts	20		

The schedules referred to above form an integral part of the Profit and Loss Account.
This is the Profit and Loss Account referred to in our report of even date.

For Price Waterhouse

Firm Registration No.: 007568S
Chartered Accountants

Rajib Chatterjee

Partner

Membership No.F-57134

**For and on behalf of the Board of Directors
of Insilco Ltd.****Dara P. Mehta**

Chairman

Matthias Hau

Managing Director

Brijesh Arora

Vice President (Finance & Accounts)
& Company Secretary

Place : Gurgaon
Date : May 24, 2011

Place : New Delhi
Date : May 24, 2011

Cash Flow Statement for the year ended March 31, 2011

PARTICULARS	Year ended 31-March-2011 (Amount in Rs.)	Year ended 31-March-2010 (Amount in Rs.)
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net profit / (loss) before tax	54,319,839	74,027,241
Adjustments for :-		
- Depreciation/amortisation/impairment loss	34,252,858	44,761,144
- (Profit) / loss on disposal of fixed assets	(12,178,275)	(1,215,343)
- Dividend income	(429,019)	(190,447)
- Profit on disposal of investments	(3,488,152)	(22,857,447)
- Interest (net)	(15,762,582)	(12,224,198)
- Balances written off/(back)	(5,048,933)	(7,646,593)
- Provision for doubtful debts / advances	341,118	161,545
Operating profit before Working capital changes	52,006,854	74,815,902
Adjustment for :-		
- Trade & other receivables	(9,338,668)	26,289,060
- Inventories	(36,414,275)	51,882,661
- Payables	6,806,832	8,116,764
Cash generated (Utilised) from Operations	13,060,743	161,104,387
- Direct tax (paid) adjustment	(20,407,718)	(12,181,094)
Net Cash from / (used in) Operating activities	(7,346,975)	148,923,293
B) CASH FLOW FROM INVESTING ACTIVITIES		
- Purchase of fixed assets	(74,418,281)	(14,631,739)
- Sale of fixed Assets	7,078,067	27,139,291
- Advance received against fixed asset sale	-	73,250,000
- Purchase of investments	(8,000,000)	(288,000,000)
- Sale of investments	97,024,159	296,019,574
- Dividend received	-	190,447
- Interest received	18,409,125	8,255,137
Net Cash from / (used in) Investing activities	40,093,070	102,222,710
C) CASH FLOW FROM FINANCING ACTIVITIES		
- Cash Credit facilities	(8,000,846)	(2,554,005)
- Payment of unpaid debenture principal & interest	(18,618,963)	(1,148)
- Interest paid	(190,961)	(150,840)
Net Cash from / (used in) Financing activities	(26,810,770)	(2,705,993)
Net increase in Cash & Cash equivalents (A + B + C)	5,935,325	248,440,010
Cash & Cash equivalents as at 31-March-10	284,960,938	36,520,928
Opening Cash in hand & Bank balances (Refer Schedule 9)		
Cash & Cash equivalents as at 31-March-11	290,896,263	284,960,938
Closing Cash in hand & Bank balances (Refer Schedule 9)		

Notes :

- The above Cash flow statement has been prepared under the indirect method set out in AS-3 issued by the Institute of Chartered Accountants of India.
- Figures in brackets indicate cash outflow.
- The significant Accounting Policies & Notes to the Accounts (Schedule 20) and other schedules form an integral part of the Cash Flow Statement.

This is the Cash Flow Statement referred to in our report of even date.

For Price Waterhouse

Firm Registration No.: 007568S

Chartered Accountants

Rajib Chatterjee

Partner

Membership No.F-57134

**For and on behalf of the Board of Directors
of Insilco Ltd.****Dara P. Mehta**
Chairman**Matthias Hau**
Managing Director**Brijesh Arora**Vice President (Finance & Accounts)
& Company Secretary

Place : Gurgaon

Date : May 24, 2011

Place : New Delhi

Date : May 24, 2011

Schedules to the Balance Sheet

	As at 31-March-2011 (Rs.)	As at 31-March-2010 (Rs.)
SCHEDULE 1 : SHARE CAPITAL		
Authorised		
65,715,000 (Previous year 65,715,000) equity shares of Rs.10 each	657,150,000	657,150,000
	<u>657,150,000</u>	<u>657,150,000</u>
Issued, Subscribed and Paid up		
62,715,000 (Previous year 62,715,000) equity shares of Rs.10 each fully paid up	627,150,000	627,150,000
Of the above, 45,853,315 (Previous year 45,853,315) equity shares are held by Evonik Degussa GmbH, the Holding Company		
	<u>627,150,000</u>	<u>627,150,000</u>
SCHEDULE 2 : RESERVES AND SURPLUS		
Balance in profit & loss account	323,262,273	276,355,423
Reserve for taxation (Refer Note 5 of Schedule 20 'B')	10,000,000	10,000,000
	<u>333,262,273</u>	<u>286,355,423</u>
SCHEDULE 3 : LOAN FUND		
Secured Loan		
From Bank		
- cash credit facility (Refer Note 4 of schedule 20 'B')	-	8,000,846
	<u>-</u>	<u>8,000,846</u>
SCHEDULE 4 : DEFERRED TAX LIABILITIES (NET)		
Deferred tax liabilities		
Depreciation / impairment on fixed assets	35,630,542	35,185,471
Gross Deferred tax liabilities	<u>35,630,542</u>	<u>35,185,471</u>
Deferred tax assets		
Unabsorbed depreciation and loss	4,322,172	16,123,696
Provision for inventory obsolescence	1,414,005	-
Provision for doubtful debts	424,942	256,717
Employee benefits	3,129,471	3,255,494
Gross Deferred tax assets	<u>9,290,590</u>	<u>19,635,907</u>
Net Deferred tax liabilities	<u>26,339,952</u>	<u>15,549,564</u>
Deferred tax charge for the year	<u>10,790,388</u>	<u>8,445,000</u>

SCHEDULE 5 : FIXED ASSETS

Particulars	Gross Block (at cost)			Accumulated Depreciation / Amortisation / Impairment			Impairment Provision as at 31.03.11 (Refer Note 2 below)		Net Block	
	At 01.04.2010	Additions	Deductions / Adjustments (Refer Note 1 below)	At 31.03.2011	Additions	Deductions / Adjustments (Refer Note 1 below)	At 31.03.2011	As at 31.03.11 (Refer Note 2 below)	At 31.03.2011	At 31.03.2010
Tangible Assets										
Land Leasehold	17,403,697	-	-	17,403,697	201,783	-	3,665,700	-	13,737,997	13,939,780
Land Freehold	104,338	-	-	104,338	-	-	-	-	104,338	104,338
Leasehold Improvement	-	7,556,099	-	7,556,099	522,695	-	522,695	-	7,033,404	-
Buildings	174,295,186	2,051,209	-	176,346,395	5,661,442	-	85,346,635	-	90,999,760	94,609,993
Plant & Machinery	714,255,979	5,036,670	121,610,131	597,682,518	19,473,671	114,382,421	479,913,695	9,319,874	108,448,949	130,113,660
Elect. Installations & Fittings	55,508,447	1,942,991	190,877	57,260,561	2,741,670	154,136	48,427,584	-	8,832,977	9,668,397
Office Equipment	2,797,200	399,088	198,105	2,998,183	351,229	118,443	1,935,954	-	1,062,229	1,094,032
Computers	13,865,986	1,325,214	163,866	15,027,334	1,201,801	151,258	11,841,237	-	3,186,097	3,075,292
Furniture & Fixtures	2,851,249	2,415,280	-	5,266,529	122,220	-	2,658,986	-	2,607,543	314,483
Vehicles	7,973,114	982,118	1,403,705	7,551,527	1,293,260	1,164,988	3,026,012	-	4,525,515	5,075,374
Intangible Assets										
Computer Software	2,354,245	523,500	-	2,877,745	702,377	-	2,696,873	-	180,872	359,749
Total	991,409,441	22,232,169	123,566,684	890,074,926	32,272,148	115,971,246	640,035,371	9,319,874	240,719,681	258,355,098
Previous Year	970,715,272	40,769,341	20,075,172	991,409,441	36,100,968	17,625,748	723,734,469	9,319,874	258,355,098	
Capital Work In Progress (including capital advances of Rs. 6,360,890) (Previous year 171,732)									58,985,396	6,799,285
Grand Total									299,705,077	265,154,383

Notes:

1. Deductions/Adjustments above include gross block of plant & machinery located at Gajraula Plant amounting to Rs. 121,610,131 and related accumulated depreciation of Rs.114,382,421 which have been transferred in the current year to assets held for sale grouped under other current assets, on account of such assets being discarded from active use, at its net realisable value. This has resulted in impairment provision of Rs. 1,980,710. (Refer Note 6 of schedule 20 'B').
2. Represents impairment provision on certain plant & machinery created in the previous year.

	As at 31- March-2011 (Rs.)	As at 31-March-2010 (Rs.)
SCHEDULE 6 : INVESTMENTS		
Long Term - (unquoted, at cost unless otherwise specified)		
Other than Trade		
1,004,965 (Previous year 1,004,965) units of Rs 10 each in IDFC GSF	10,000,000	10,000,000
- Investment Plan B-Dividend		
Nil (Previous year 583,787.3) units of Rs 10 each in G80 IDFC GSF Short Term Plan B	-	5,837,873
- Quarterly Dividend		
4,864,713 (Previous year 5,468,603) units of Rs 10 each in ICICI Prudential Gilt Fund	116,884,722	131,500,000
Treasury Plan - Growth		
1,621,565 (Previous year 5,108,007) units of Rs 10 each in Kotak GILT (Savings)	34,417,144	107,500,000
- Growth		
	<u>161,301,866</u>	<u>254,837,873</u>
- Net asset value of above unquoted long term investments in mutual funds is Rs 169,812,313 (Previous year Rs. 258,390,805)		
Current - (unquoted, lower of cost and fair value)		
Other than Trade		
162,161 units of Rs 10 each in ICICI Prudential Gilt Fund Treasury Plan Growth	4,000,000	-
186,183 units of Rs 10 each in Kotak GILT (Savings) - Growth	4,000,000	-
	<u>8,000,000</u>	<u>-</u>
- Net asset value of unquoted short term investments in mutual funds is Rs 8,247,839 (Previous year Rs.Nil)		
	<u>169,301,866</u>	<u>254,837,873</u>
The following investments were purchased and sold during the year		
Scheme	No. of Units Purchased	No. of Units Sold
Current Year		
ICICI Prudential GILT Fund Treasury Plan - Growth	162,161	162,161
Kotak GILT (Savings) - Growth	186,183	186,183

SCHEDULE 7 : INVENTORIES

(At cost or net realisable value, which ever is lower)

Stores and spares, packing materials	32,630,856	20,164,976
Raw materials (includes goods in transit of Rs. 1,020,235; Previous year Rs. Nil)	45,979,179	21,764,477
Work-in-progress	6,139,400	10,379,066
Finished goods (includes goods in transit of Rs. 6,460,606; Previous year Rs. 6,804,214)	21,511,192	17,537,832
	<u>106,260,627</u>	<u>69,846,351</u>

SCHEDULE 8 : SUNDRY DEBTORS

(Unsecured)

Debts outstanding for a period exceeding six months		
Considered good	-	1,317,769
Considered doubtful	1,137,140	796,022
Other debts		
Considered good	124,952,477	110,323,081
	126,089,617	112,436,872
Less : Provision for doubtful debts	(1,137,140)	(796,022)
	<u>124,952,477</u>	<u>111,640,850</u>

SCHEDULE 9 : CASH AND BANK BALANCES

Cash on hand	98,181	109,924
Cheques on hand	32,646	97,477
Balances with scheduled banks:		
- on current accounts	3,517,180	21,726,214
(including Share/Debenture application money refund account of Rs. Nil (Previous year Rs. 3,050,457))		
- on fixed deposit accounts *	287,248,256	263,027,323
	<u>290,896,263</u>	<u>284,960,938</u>

Note: * Includes amount under lien with a bank Rs. 76,857 (Previous year Rs. 76,857)

	As at 31- March-2011 (Rs.)	As at 31-March-2010 (Rs.)
SCHEDULE 10 : OTHER CURRENT ASSETS		
(Unsecured, considered good)		
Interest accrued on deposits	7,420,228	9,875,810
Dividend accrued on investments	429,019	-
Export benefits receivable	408,801	3,030,818
Assets held for sale (net of impairment provision of Rs. 1,980,710; previous year Rs. 961,877) (Refer Note 6 of Schedule 20 'B')	5,247,013	55,282,076
	<u>13,505,061</u>	<u>68,188,704</u>

SCHEDULE 11 : LOANS AND ADVANCES

(Unsecured, considered good unless otherwise stated)

Staff loans	1,794,978	2,364,027
Advances recoverable in cash or in kind or for value to be received*	14,268,788	16,593,041
Advance payment of income tax/tax deducted at source (net of tax provision of Rs. 77,008,251; previous year Rs. 65,232,854)	13,106,642	4,474,321
MAT credit entitlement	15,152,796	-
Balance with customs authorities	1,040,322	129,547
Security deposits	<u>10,712,597</u>	<u>10,422,131</u>
	56,076,123	33,983,067
Less : Provision for doubtful advances	<u>(172,593)</u>	<u>(242,939)</u>
	<u>55,903,530</u>	<u>33,740,128</u>

Note: *Due from a private limited company in which a director is a director Rs. 30,333 (Previous year Rs. 147,250)

SCHEDULE 12 : LIABILITIES

Sundry creditors

- Due to micro and small enterprise (Refer Note 7 of Schedule 20 'B')

- Due to creditors other than micro and small enterprises

Advance received against disposal of fixed assets

Advance from customers

Retention money and security deposits

Share/debenture rights issue application money refundable

Unclaimed debenture interest

Unclaimed debenture principal

Balance payable to excise authorities

Other liabilities

	20,216	210,420
	43,033,354	38,234,129
	12,500,000	73,250,000
	517,030	-
	2,151,411	1,774,169
	-	63,336
	-	11,081,154
	-	7,537,809
	-	2,066,308
	<u>4,678,387</u>	<u>8,177,868</u>
	<u>62,900,398</u>	<u>142,395,193</u>

Note: There are no amounts outstanding to be credited to Investor Education and Protection Fund.

SCHEDULE 13 : PROVISIONS

(Refer Note 11 of Schedule 20 'B')

Provision for gratuity

Provision for leave encashment

Provision for long service award

	3,920,211	3,075,756
	3,791,335	3,240,995
	<u>3,160,732</u>	<u>2,601,450</u>
	<u>10,872,278</u>	<u>8,918,201</u>

Schedules to the Profit & Loss Account

	For the year ended 31-March-2011 (Rs.)	For the year ended 31-March-2010 (Rs.)
SCHEDULE 14 : OTHER INCOME		
Interest		
- Bank deposits (Tax deducted at source Rs. 1,624,968; Previous year Rs.1,255,499)	15,658,777	11,962,147
- Others (Tax deducted at source Rs. 64,117; Previous year Rs. 61,210)	294,766	412,890
Dividend income	429,019	190,447
Export incentives	-	1,931,137
Provisions no longer required written back	6,317,150	8,519,525
Profit on sale of investments	3,488,152	22,857,447
Foreign exchange gain (net)	-	1,212,419
Profit on disposal/discard of fixed assets (net)	12,178,275	1,215,343
Insurance claim receivable	-	4,796,849
Miscellaneous income (Tax deducted at source Rs. 84,322; Previous year Rs. 197,173)	2,933,573	3,057,991
	41,299,712	56,156,195

SCHEDULE 15 : INCREASE / (DECREASE) IN INVENTORIES

Closing inventories		
- Work-in-progress	6,139,400	10,379,066
- Finished goods	21,511,192	17,537,832
	27,650,592	27,916,898
Opening inventories		
- Work-in-progress	10,379,066	50,797,191
- Finished goods	17,537,832	17,447,594
	27,916,898	68,244,785
Increase / (decrease) in inventories	(266,306)	(40,327,887)

SCHEDULE 16 : RAW MATERIAL CONSUMED

(Refer Note 10.a & 10.d of Schedule 20 'B')

Opening stock of raw material	21,764,477	23,746,962
Add: Purchases	272,074,313	165,054,481
Closing stock of raw material	45,979,179	21,764,477
Raw Material consumed	247,859,611	167,036,966

SCHEDULE 17 : PERSONNEL EXPENSES

Salaries, wages and bonus	38,860,719	34,033,362
Contribution to provident, gratuity and other fund	10,383,787	9,631,344
Workmen and staff welfare expenses	5,958,849	5,112,907
	55,203,355	48,777,613

	For the year ended 31-March-2011 (Rs.)	For the year ended 31-March-2011 (Rs.)
SCHEDULE 18 : OPERATING AND OTHER EXPENSES		
(Refer Note 8, 9, 10, 12 of Schedule 20 'B')		
Consumption of stores and spares	5,169,209	7,221,843
Power and fuel	188,877,779	203,873,741
Packing expenses	20,332,345	22,547,981
Repairs and maintenance		
- Plant & machinery	8,487,585	7,970,129
- Buildings	2,236,178	2,375,541
- Others	57,682	97,591
Rent	6,951,690	5,985,265
Rates and taxes	744,652	2,841,538
Insurance	2,803,822	2,338,251
Travelling and conveyance	5,081,531	2,806,779
Office expenses	2,616,456	2,611,014
Legal and professional fees	7,171,857	4,492,714
Director's sitting fee	580,000	500,000
Director's remuneration	7,254,154	8,591,580
Auditor's remuneration	1,522,510	1,299,508
Freight and forwarding charges (net)	2,650,307	6,596,509
Selling & marketing expenses	14,836,665	15,244,847
Provision for doubtful debts/advances	341,118	161,545
Balances written off	1,268,218	872,932
Fixed assets destroyed by fire	-	1,920,544
Increase/(decrease) in provision for excise duty on finished goods inventory	107,750	(154,179)
Foreign exchange gain (net)	12,382	-
Miscellaneous expenses	13,801,598	16,593,792
	<u>292,905,488</u>	<u>316,789,465</u>

SCHEDULE 19 : EARNINGS PER SHARE (EPS)

Profit after tax	46,906,850	50,082,188
Weighted average number of equity shares outstanding during the year	62,715,000	62,715,000
Basic and diluted earning per share	<u>0.75</u>	<u>0.80</u>

Note: There were no potential dilutive shares outstanding as at the year end

SCHEDULE 20 : NOTES TO ACCOUNTS

Part A: Significant accounting policies

1. Background

Insilco Limited, a subsidiary of Evonik Degussa GmbH, Germany is engaged in the manufacturing and selling of precipitated silica. Insilco produces different grades of precipitated silica, catering to the requirements of customers in rubber and non-rubber industries.

2. Statement of Significant Accounting Policies

a. Basis of preparation

The financial statements have been prepared to comply in all material respects with all the applicable Accounting Standards notified under section 211(3C) of the Companies Act, 1956 and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared in accordance with the historical cost convention on an accrual basis.

b. Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period reported. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

c. Fixed Assets

Fixed assets are stated at original cost less accumulated depreciation and cumulative impairment. Cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use.

Intangible assets are recognized when it is probable that the future economic benefits that are attributable to the asset will flow to the enterprise and the cost of the asset can be measured reliably. Intangible assets are stated at cost less accumulated amortization and impairment.

d. Depreciation/ Amortization

Cost of leasehold land is being amortised over the lease period. Assets costing less than or equal to Rs. 5,000 are depreciated fully in the year of purchase. Leasehold improvements are amortised over the unexpired lease period.

Depreciation on all other fixed assets has been provided on straight-line method (SLM) at the rates mentioned hereunder which are greater than or equal to the corresponding rate prescribed in Schedule XIV to the Companies Act, 1956. For this purpose, part of the plant has been considered as continuous process plant, based on technical opinion.

Particulars	Rates at which assets are depreciated (%)	Rates as per Schedule XIV (%)
Buildings		
- Factory	3.34	3.34
- Non- factory	3.34	1.63
Plant and machinery		
- Continuous process plant	5.28	5.28
- Workshop equipments	7.92	4.75
- Laboratory equipments	10.34	4.75
- Other plants	4.75-15.00	4.75
Electronic data processing equipment	23.75	16.21

Particulars	Rates at which assets are depreciated (%)	Rates as per Schedule XIV (%)
Furniture and fixture	6.33	6.33
Electrical installations and fittings – Related to plant & machinery	4.75	4.75
Electrical installations and fittings- Other than those related to plant & machinery	19.00	4.75
Office equipments	19.00	4.75
Vehicles	19.00	9.50

Computer software is amortized over a period of four years, being the estimated useful life.

e. Impairment of Assets

All assets other than inventories, investments and deferred tax asset, are reviewed for impairment, wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount.

f. Borrowing Cost

Borrowing costs are expensed in the year in which it is incurred except where the cost is incurred during the construction of an asset that takes a substantial period to get ready for its intended use in which case it is capitalized.

g. Investments

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis.

Long term investments are stated at cost. Where applicable, provision is made where there is a permanent fall in valuation of the investments.

h. Inventories

Inventories are valued as follows:

Raw materials, stores and spares and packing materials: 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 used, are expected to be sold at or above cost. Cost is determined on a weighted average basis.

Work in progress and finished goods: 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 of finished goods includes excise duty.

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

i. Revenue Recognition

Revenue is recognised to the extent it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of Goods: Revenue is recognized when the significant risks and rewards of ownership of the goods have been passed on to the buyer.

Interest: Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividend: Dividend income is recognized when the right to receive dividend is established.

j. Foreign currency translation

Initial Recognition: Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency on the date of the transaction.

Conversion: Foreign currency monetary items are restated as at year-end using the closing rate. Non – monetary items which are carried at historical cost which are denominated in a foreign currency are reported using the exchange rate at the date of the transactions.

Exchange Differences: Exchange differences arising on the settlement of monetary items or restatement at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

Forward Exchange Contracts not intended for trading or speculation purposes: The premium or discount arising at the inception of forward exchange contracts is amortised as an expense or income over the life of the contract. Exchange differences on such contracts are recognised in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognised as an income or as expense for that year.

k. Employee benefits

1. *Short Term :* Short term employee benefits are recognised in the year during which the services have been rendered.

2. *Long Term :*

i) Defined Contribution plans:

- **Provident Fund:**

All employees (other than excluded employee) of the Company are entitled to receive benefits under the Provident Fund, which is a defined contribution plan. Both the employee and the employer make monthly contributions to the plan at a predetermined rate (presently 12%) of the employees' basic salary. These contributions are made to the fund administered and managed by the Government of India.

The Company's contribution to the scheme is expensed off in the Profit and Loss Account. The Company has no further obligations under the plan beyond its monthly contributions.

- **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.

ii) Defined benefit plans

- **Gratuity**

Gratuity is a post employment defined benefit plan. The liability recognized in the balance sheet in respect of gratuity is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The defined benefit obligation is calculated annually by an independent actuary using the projected unit credit method. Actuarial gains and losses are charged or credited to the profit and loss account in the year in which such gains or losses arise.

- **Compensated Absence**

Liability in respect of compensated absences is provided both for encashable leave and those expected to be availed based on actuarial valuation at year end, which considers undiscounted value of the benefits expected to be paid/availed during the next one year and appropriate discounted value for the benefits expected to be paid/availed after one year.

- **Long Term Service Award**

The liability towards long terms service award is determined based on actuarial valuation at the year end.

I. Segment Reporting

The company is engaged in the manufacture of a single product viz. precipitated silica and hence there is one primary segment. The analysis of geographical segments is based on the areas in which the company operates.

m. Leases

Lease rental in respect of operating lease arrangements are charged to expense on a straight line basis over the term of the related lease agreement.

n. Income taxes

Tax expense comprises both current and deferred tax. Deferred income tax reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised on carry forward of unabsorbed depreciation and losses only if there is virtual certainty that such deferred tax assets can be realized against future taxable profits. Deferred tax assets on other items are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Unrecognized deferred tax assets of earlier years are re-assessed and recognised to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized.

o. Earnings per Share

- Basic earnings per share:** Basic earnings per share are 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. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average numbers of equity shares outstanding during the year are adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).
- Diluted earnings per share:** For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

p. Provisions and contingencies

The Company creates a provision when there is present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that probably will not require an outflow of resources or where a reliable estimate of the obligation cannot be made.

Part B: Notes to Accounts**1. Contingent Liabilities****A.****(Rs. in '000)**

Particulars	31.03.11	31.03.10
Bank guarantee outstanding	-	1,000
Disputed tax matters :		
(a) Sales tax/Entry tax claims disputed by the Company relating to issues of applicability and determination	24,356	68,211
(b) Income tax claims disputed by the Company relating to issues of applicability and determination	61,068	63,087
(c) Other tax matters	74	74
Claim against the Company not acknowledged as debts	256	-
TOTAL	85,754	132,372

- B. Show cause notice received from Deputy Director General of Foreign Trade seeking submission of documentation within prescribed time in proof of fulfillment of export obligation attached with an advance license amounting to Rs. 44,086 ('000) dated May 24, 1994 granted to the Company. Said show cause notice has been issued under Foreign Trade (Development & Regulation) Act, 1992.

The future cash flows on account of A & B above cannot be determined unless the judgment/ decisions are received from the appropriate forums/parties.

2. Capital Commitments (Rs. in '000)

Particulars	31.03.11	31.03.10
Estimated amounts of contracts remaining to be executed on capital account and not provided for	13,109	1,224

3. Related Party Disclosure

Disclosure of related parties / related party transactions

List of Related Parties

Name of Related Party	Relationship
1. RAG-Stiftung	Ultimate Holding Company
1. Evonik Industries AG	Intermediate Holding Company
1. Evonik Degussa GmbH (Formerly known as Degussa GmbH)	Holding Company
1. Evonik Degussa Africa PTY Ltd. 2. Evonik Degussa India Pvt. Ltd. 3. Thai Aerosil 4. Evonik Degussa (China) Co. Ltd. 5. Evonik United Silica Industrial Ltd. 6. Evonik Services GmbH	Fellow Subsidiaries with whom the Company has transacted
1. Mr. Matthias Hau, Managing Director	Key Management Personnel

Description of transaction with the related party in the normal course of business:

(Rs. in '000)

Particulars	Holding Company & Intermediate Holding Company		Fellow Subsidiary		Key Management Personnel	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Transactions during the year						
Sales						
- Evonik Degussa Africa Pty Ltd	-	-	1,243	944	-	-
Other income						
- Evonik Degussa India Pvt. Ltd	-	-	1,220	1,195	-	-
Sales & marketing support services fee paid						
- Evonik Degussa India Pvt. Ltd	-	-	12,191	10,604	-	-
- Evonik Degussa (China) Co. Ltd.	-	-	-	626	-	-
Managerial remuneration						
- Mr. Matthias Hau	-	-	-	-	7254	7,912
- Dr. Florian Bertram Kirschner	-	-	-	-	-	680
SAP license fees paid						
- Evonik Industries AG	470	568	-	-	-	-
IT related services paid						
- Evonik Services GmbH	-	-	2,489	1,411	-	-

(Rs. in '000)

Particulars	Holding Company & Intermediate Holding Company		Fellow Subsidiary		Key Management Personnel	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Export license fee paid						
- Evonik Degussa GmbH	-	1,555	-	-	-	-
Travelling expense paid						
- Evonik Degussa India Pvt. Ltd	-	-	154	-	-	-
Training expense paid						
- Evonik Services AG	-	-	279	-	-	-
Professional/ technical fee paid						
- Evonik Degussa GmbH	8,661	-	-	-	-	-
- Evonik United Silica Industrial Ltd, Taiwan	-	-	252	-	-	-
Purchase of spares parts						
- Evonik Degussa GmbH	98	-	-	-	-	-
Reimbursement of expenses incurred on behalf						
- Evonik Degussa GmbH	466	4,707	-	-	-	-
- Thai Aerosil	-	-	-	153	-	-
- Evonik Degussa India Pvt. Ltd	-	-	171	141	-	-
Other recoverable						
- Evonik Degussa India Pvt. Ltd	-	-	30	147	-	-
- Evonik Degussa GmbH	466	-	-	-	-	-
Provision for marketing support service fees						
- Evonik Degussa India Pvt. Ltd	-	-	754	786	-	-
- Evonik Degussa (China) Co. Ltd.	-	-	-	590	-	-
Provision for SAP licence & IT support fee						
- Evonik Industries AG	-	-	241	213	-	-
- Evonik Services GmbH	-	-	784	523	-	-

4. The Company has credit facilities amounting to Rs. 10,000 ('000) from a Bank which includes cash credit, export packing credit, export post shipment credit and bill discounting facilities. This limit is secured by hypothecation of stock of finished goods, work in progress, raw materials and book debts both present and future of the Company on first pari passu charge basis.
5. Having regard to the income tax matters for various years settled/pending before the Income tax department/appellate authorities, the Company as a matter of prudence in the year ending 31st December 2004, had over and above the provision for taxation made in the books of accounts as was considered appropriate and adequate, set apart Rs. 10,000 ('000) as 'Reserve for Taxation'. Based on the management assessment of the pending tax matters, no further transfer to/from the said reserve in the current year is considered necessary.
6. Assets held for sale represents certain idle plant and machinery relating to Gajraula unit having net book value of Rs. 7,227 ('000) at the year end. Impairment provision created during the year on these assets amounts to Rs. 1,981 ('000).
7. **Disclosure under Micro, Small and Medium Enterprises Development Act, 2006**

The Company has amounts due to suppliers under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at March 31, 2011. The disclosure pursuant to the said act is as under:

(Amount in Rs.)

Sl. No.	Particulars	2010-11	2009-10
1.	Principal amount remaining unpaid as at year end	19,258	207,055
2.	Interest due thereon as at year end	958	3,365
3.	Interest paid by the Company in term of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the suppliers beyond the appointed day during the year.	Interest –Rs. 9,861; Principal - Rs. 703,202	Interest - Nil; Principal - Rs. 216,308
4.	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006.	Nil	Nil
5.	Interest accrued and remaining unpaid as at year end	958	3,365
6.	Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise.	Nil	Nil

The information has been given in respect of such vendors to the extent they could be identified as "Micro and Small" enterprises on the basis of information available with the Company.

8. Managerial Remuneration

(Rs. in '000)

Particulars	2010-11	2009-10
Salaries	2,100	2,400
Contribution to Provident Fund	-	462
Perquisites	5,154	5,730
Total	7,254	8,592

Sitting Fees to non-executive directors Rs.580 ('000) [previous year Rs. 500 ('000)]

9. Auditors' Remuneration (excluding service tax)

(Rs. in '000)

Particulars	2010-11	2009-10
Audit fee	750	750
Tax audit fee	200	110
Others	900	710
Out of pocket expenses	95	130
	1,945	1,700
Less : Refundable from holding Company	(422)	(400)
	1,523	1,300

10. Additional information pursuant to the provisions of paragraphs 3, 4C and 4D of Part II of Schedule VI to the Companies Act, 1956.
a. Raw Material Consumed

Particulars	2010-11		2009-10	
	Qty. (MT)	Value (Rs. in '000)	Qty. (MT)	Value (Rs. in '000)
Sand	-	-	5,478	11,961
Soda Ash	-	-	2,737	45,731
Sulphuric Acid	6,914	34,539	6,867	17,705
Cullet	17,769	211,504	7,570	89,251
Others	-	1,817	-	2,389
Total		247,860		167,037

b. Sales

Particulars	Opening Stock		Sales		Closing Stock	
	Qty (MT)	Value (Rs. in '000)	Qty. (MT)	Value (Rs.in '000)	Qty. (MT)	Value (Rs.in '000)
Precipitated Silica	481	17,538	15,213	643,699	504	21,511
	(492)	(17,448)	(15,155)	(635,715)	(481)	(17,538)

*Amount in bracket represents previous year figures.

c. Particulars in respect of goods manufactured, licensed capacity, installed capacity and actual production. (As certified by Management)

Class of Goods	Unit	Licensed Capacity		Installed Capacity		Actual Production	
		2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
Precipitated Silica	MT	N.A.	N.A.	15,000	15,000	15,236	15,144

d. Value of imported and indigenous raw material, stores and spares (including booked under packing expenses and Repair & Maintenance) consumed and the percentage of each to the total consumption.

Particulars	Percentage of Total Consumption		Value Rs. in ('000)	
	2010-11	2009-10	2010-11	2009-10
Raw Materials Consumed				
Imported	-	-	-	-
Indigenously obtained	100%	100%	247,860	167,037
	100%	100%	247,860	167,037
Stores and Spares Consumed (Including booked under Packing expenses and Repair and Maintenance)				
Imported	1%	5%	414	1,516
Indigenously Obtained	99%	95%	29,077	28,187
	100%	100%	29,491	29,703

e. Value of imports calculated on CIF basis

Particulars	Value Rs. in ('000)	
	2010-11	2009-10
Stores, Spares & Packing Material	1,580	918
Capital Goods	8,738	-
Total	10,318	918

f. Expenditure in foreign currency (on payment basis)

Particulars	Value Rs. in ('000)	
	2010-11	2009-10
Exports commission	228	683
I.T. Support charges	2,223	1,155
SAP License fees	442	608
Export License fees	-	1,555
Professional charges*	9,191	-
Others	487	-
Total	12,571	4,001

*Includes Rs. 4,347 ('000) paid for expansion project classified under capital work in progress (Refer Schedule 5)

g. Earnings in foreign currency (on accrual basis)

Particulars	Value Rs. in ('000)	
	2010-11	2009-10
F.O.B. value of Exports	3,078	52,989

11. The Company has calculated the various benefits provided to employees as per Accounting Standard-15 (revised 2005) 'Employee Benefits' as under:

A. Defined Contribution Plans

- a. Provident Fund.
- b. Superannuation Fund.

During the year the Company has recognized the following amounts in the Profit and Loss account:-

(Rupees in '000)

Employers Contribution to Provident Fund.*	1,977
Employers Contribution to Superannuation Fund.*	3,602

B. State Plans

- a. Employers Contribution to Employee State Insurance.*
- b. Employers Contribution to Employees' Pension Scheme 1995.*

During the year the Company has recognized the following amounts in the Profit and Loss account:-

(Rupees in '000)

Employers Contribution to Employee State Insurance.	558
Employers Contribution to Employees' Pension Scheme 1995.*	903

*Included in Contribution to Provident, Gratuity and other fund under Personnel expenses (Refer schedule 17)

C. Defined Benefit Plans

- a. Employees' Gratuity Fund.
- b. Leave Encashment.
- c. Long Service Award.

In accordance with Accounting Standard 15 (Revised 2005), an actuarial valuation was carried out on the basis of employee / payroll data as on March 31, 2011 in respect of the aforesaid defined benefit plans based on the following assumptions:

Particulars	Employees Gratuity Fund	Leave Encashment (Non funded)	Long Service Award (Non funded)
Discount Rate (per annum)	8.00% (7.90%)	8.00% (7.90%)	8.00% (7.90%)
Expected Rate of increase in compensation levels	9.00% (8.00%)	9.00% (8.00%)	9.00% (8.00%)
Expected Rate of return on plan assets	9.25% (9.25%)	N.A. (N.A.)	N.A. (N.A.)
Expected Average remaining working lives of employees (years)	16 (16)	16 (16)	16 (16)

Reconciliation of opening and closing balances of present value obligation

(Rupees in '000)

Particulars	Employees Gratuity Fund	Leave Encashment	Long Service Award
Opening balance of defined benefit obligation	13,248 (9,571)	3,241 (2,280)	2,601 (2,046)
Current service cost	1,161 (970)	395 (402)	281 (228)
Interest cost	1,047 (718)	256 (171)	206 (153)
Benefits Paid	-1,147 (-310)	-530 (-497)	-153 (-174)
Actuarial (gain)/ loss	1,795 (2,299)	429 (885)	226 (348)
Closing defined benefit obligation	16,104 (13,248)	3,791 (3,241)	3,161 (2,601)

Reconciliation of opening and closing balances of fair value of plan assets:
(Rupees in '000)

Particulars	Employees Gratuity Fund
Opening balance of fair value of plan assets	10,172 (1,485)
Expected return on plan assets	1,063 (824)
Contributions	2,096 (8,173)
Benefits Paid	-1,147 (-310)
Actuarial gain/ (loss)	- (-)
Closing balance of plan assets	12,184 (10,172)

Amount of expense recognized in the Profit and Loss Account:
(Rupees in '000)

Particulars	Employees Gratuity Fund	Leave Encashment	Long Service Award
Current service cost	1,161 (971)	395 (402)	281 (228)
Interest cost	1,047 (718)	256 (171)	206 (153)
Expected return on Plan Assets	-1,063 (-825)	Nil (Nil)	Nil (Nil)
Net Actuarial (gain)/ loss recognized during the year	1,795 (2,299)	429 (884)	226 (348)
Total Expense recognized in Profit & Loss Account	2,940 * (3,163)	1,080 ** (1,457)	713 ** (729)

* Included in Contribution to Provident, Gratuity and Other Funds under Personnel expenses (Refer schedule 17)

** Included in Salaries, wages & bonus under Personnel expenses (Refer schedule 17)

Amount as above in bracket represents previous year figures.

Net Asset/ (Liability) recognised in Balance Sheet (including experience adjustment impact)

Sl. No.	Net Asset/ (Liability) recognised in Balance Sheet (including experience adjustment impact)	2010-2011			2009-2010			2008-2009		
		Gratuity	Leave Encashment	Long Service Award	Gratuity	Leave Encashment	Long Service Award	Gratuity	Leave Encashment	Long Service Award
1	Present value of Defined Benefit Obligation	16,104	3,791	3,161	13,248	3,241	2,601	9,571	2,280	2,046
2	Fair value on Plan Assets	12,184	NIL	NIL	10,172	NIL	NIL	1,485	NIL	NIL
3	Net Asset/(Liability) recognised in Balance Sheet	(3,920)	(3,791)	(3,161)	(3,076)	(3,241)	(2,601)	(8,086)	(2,280)	(2,046)
4	Experience Adjustment of Plan Assets [Gain/(Loss)]	NIL	NIL	NIL	NIL	NIL	NIL	(550)	NIL	NIL
5	Experience Adjustment of obligation [(Gain)/Loss]	738	288	248	711	640	213	2,022	248	(570)

Investment details of plan assets:

The Plan assets are maintained with Life Insurance Corporation Gratuity Scheme. The details of investment maintained by Life Insurance Corporation are not available with the Company and have not been disclosed.

Expected Rate of Return:

The enterprise has funded the liability with Life Insurance Corporation of India (LIC). Rate of return is as given by the Insurance Company.

Gratuity:

The company has paid the contribution for Gratuity on May 20, 2011.

12. The lease rental expense recognized in the profit and loss account for the year in respect of lease transaction is Rs. 6,951 ('000) [previous year Rs. 5,985 ('000)]. The Company has taken its corporate office under operating lease for a period of 7 years and 6 months. The lease agreement is cancellable at the option of the lessee after the lock in period of 3 years accordingly considered as non cancellable by the management. The future minimum lease payments and payment profile of non-cancelable operating lease as at March 31, 2011 are as follows:

(Rupees in '000)

Periods	Future minimum lease payments	
	31.3.2011	31.3.2010
Payable not later than one year	7,440	852
Payable later than one year and not later than five years	32,882	-
Payable later than five years	16,494	-
Total Minimum Lease payments	56,816	852

13. Disclosure regarding segment reporting as per Accounting Standard 17 'Segment Reporting', issued by The Institute of Chartered Accountants of India, have not been provided since the Company has a single business segment namely Precipitated Silica and the segment revenue from external customers by geographical area is less than the stipulated percentage requiring disclosure under the aforesaid Accounting Standard in both the current and previous year.
14. Previous Year figures have been reclassified and regrouped wherever necessary to confirm to the classification adopted in these accounts.

Signature to the Notes '1' to '14' above

**For and on behalf of the
Board of Directors of Insilco Ltd.**

Dara P. Mehta
Chairman

Matthias Hau
Managing Director

For Price Waterhouse
Firm Registration No.: 007568S
Chartered Accountants

Rajib Chatterjee
Partner
Membership No. F-57134

Brijesh Arora
Vice President (Finance & Accounts)
& Company Secretary

Place : New Delhi
Date : May 24, 2011

Place : Gurgaon
Date : May 24, 2011

Statement pursuant to Part IV of Schedule VI of the Companies Act, 1956

Balance Sheet Abstract and Company's General Business Profile

(i)	Registration Details Registration No. 20-10141 Balance Sheet Date 31.03.2011	State Code 20
(ii)	Capital raised during the year (Amount in Rs. Thousands) Public Issue Nil Bonus Issue Nil	Right Issue Nil Private Placement Nil
(iii)	Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousands) Total Liabilities 986,752 Source of Funds Paid up Capital 627,150 Secured Loans Nil Deferred Tax Liabilities 26,340 Application of Funds Net Fixed Assets 299,705 Net Current Assets 517,745 Accumulated Losses Nil	Total Assets 986,752 Reserve and Surplus 333,262 Unsecured Loans Nil Investments 169,302 Misc. Expenditure Nil
(iv)	Performance of the Company (Amount in Rs. Thousands) Turnover (including other Income) 750,789 Profit before Tax 54,320 Earnings per Share 0.75	Total Expenditure 696,469 Profit after Tax 46,907 Dividend Rate % Nil
(v)	Generic name of principal product of the Company (As per monetary terms) Items code No. (ITC code) Product Description	250510.01 Precipitated Silica

Dara P. Mehta
Chairman

Matthias Hau
Managing Director

Place : New Delhi
Date : May 24,2011

Brijesh Arora
Vice President (Finance & Accounts)
& Company Secretary

INSILCO LIMITED

Registered office: A-5, UPSIDC Industrial Estate, Bhartiagram, Gajraula - 244223, Uttar Pradesh

23rd ANNUAL GENERAL MEETING

FORM OF PROXY

*DP ID No.	Regd. Folio No.
*Client ID No.	No. of Shares Held

I/We _____ of _____ in the district of _____
 _____ being a member/member(s) of INSILCO LIMITED hereby appoint _____ of
 _____ in the district of _____ or failing him/her
 of _____ in the district of _____ as my/our proxy to vote
 for me/us on my/our behalf at the 23rd Annual General Meeting of the Company to be held on 5th August 2011 at
 10.30 a.m. at Registered office of the Company situated at A-5, UPSIDC Industrial Estate, Bhartiagram,
 Gajraula - 244223, Uttar Pradesh.

Affix
Revenue
Stamp

Signed this _____ day of _____, 2011.

_____ Member(s) signature

*Applicable for the investors holding shares in electronic form.

Note: This form in order to be effective should be duly signed, stamped, completed and must be deposited at the registered office of the Company, not less than 48 hours before the time fixed for holding the meeting.

INSILCO LIMITED

Registered office: A-5, UPSIDC Industrial Estate, Bhartiagram, Gajraula - 244223, Uttar Pradesh

23rd ANNUAL GENERAL MEETING

ATTENDANCE SLIP

*DP ID No.	Regd. Folio No.
*Client ID No.	No. of Shares Held

Name of Member/Members.....

Name of Proxy.....

(To be filled only when a proxy attends the meeting)

I hereby register my presence at the 23rd Annual General Meeting held on 5th August 2011 at 10,30 a.m. at registered office of the Company situated at A-5, UPSIDC Industrial Estate, Bhartiagram, Gajraula - 244223, Uttar Pradesh.

Member(s)/Proxy's signature

*Applicable for the investors holding shares in electronic form.

- Notes: 1) Member/Proxy attending the meeting must complete this attendance slip and hand it over at entrance.
 2) Shareholders are requested to bring their Annual Reports along with them to the meeting.

INSILCO LIMITED

A-5, UPSIDC Industrial Estate, Bhartiagram,
Gajraula - 244223, Uttar Pradesh