POWER TO CREATE

32nd Annual Report 2019-20

INSILCO LIMITED

BRIEF PROFILE OF DIRECTORS

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

Mr. Dara Phirozeshaw Mehta is a solicitor and advocate. He was admitted to the Bar as an Advocate of the Bombay High Court in 1955 and as a solicitor of the Bombay High Court in 1957. He holds a B.A. degree from Bombay University, an LL.B. degree from Poona University and an LL.M. degree from Harvard University. He is still in active practice as a partner emeritus of Little & Co., Bombay. Mr. Mehta has vast experience in the fields of corporate law, intellectual property law, mergers and acquisitions and arbitration law. He is a director of many other companies.

Mr. Brijesh Arora (Managing Director) (Executive Director)

Mr. Brijesh Arora is Master of Business Administration and Alumnus of the Indian Institute of Management, Calcutta (IIMC)'s Senior Management Program (SMP). He has also done Chartered Accountancy Course from the Institute of Chartered Accountants of India (ICAI), Master of Financial Analysis (MFA) from Institute of Chartered Financial Analyst (ICFAI) and Company Secretary course from Institute of Company Secretaries of India (ICSI). He has successfully completed Executive Development Programme-Advanced (EDP Advanced module) of Evonik.

Mr. Brijesh Arora has approx. 28 years of rich and versatile experience in different fields of Business Management, Controlling, Finance, Accounts, Legal and Compliances. Mr. Brijesh Arora is associated with this Company for more than 13 years at different senior leadership positions.

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

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

Mr. Christian Schlossnikl has approx. 33 years of versatile experience with expertise in production and engineering. He is serving Evonik since 2001 in various important roles and currently designated as Senior Vice President Production and Engineering Silica at Evonik Resource Efficiency GmbH. Before Evonik, he has served various corporates with functional area including head of project for technological and market possibilities of new cellulosic products, global search for cooperation partners and technical director for production of Polyester films and sheets.

Mr. Sanjeev Taneja (Non-executive Non-Independent Director)

Mr. Sanjeev Taneja has approximately 32 years of rich and versatile experience, which includes extensive experience in specialty chemicals sector. Mr. Taneja started his career in 1987 as Production & Technical Manager for Degussa A.G., Germany (part of Evonik Group Company). Thereafter, he has served various key positions in Evonik. W.e.f. 1st January 2018, Mr. Taneja has been assigned with the responsibility as President of India Region & Managing Director of Evonik India Private Limited. Before his current responsibilities in India, he was working as Vice President South Asia Resource Efficiency Segment in Evonik Industries.

Extensive qualifications of Mr. Taneja include (i) MBA from University of South Alabama, USA, (ii) Chemical Process Engineering Degree from University of Applied Sciences, Germany, and (iii) INSEAD advanced management program.

Ms. Sonia Prashar (Independent Non-Executive Director)

Ms. Sonia Prashar is Graduate in Science and bachelor of Education from Delhi University. She is also Graduate in German Language from Goethe Institute.

Ms. Prashar has approx. 24 years of rich and versatile experience including representing the Indo-German Chamber of Commerce at various national / international events. She plays a key role in promoting collaborations and constructive communication between Indian and German Companies to develop effective partnership with each other and developing successful networking channels for the access, sharing and dissemination of information with leading Indian & German Industry Associations / Government Bodies. She is currently designated as Deputy Director General of Indo German Chamber of Commerce.

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

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

Ms. Tang has approx. 23 years of rich experience in the field of product development, sales and marketing, strategy development, etc. at senior positions.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Dara Phirozeshaw Mehta - Chairman
Mr. Brijesh Arora - Managing Director
Mr. Christian Schlossnikl - Director
Mr. Sanjeev Taneja - Director
Ms. Meng Tang - Director
Ms. Sonia Prashar - Director

COMPANY SECRETARY

Ms. Swati Surhatia

CHIEF FINANCIAL OFFICER

Ms. Shivangi Negi

STATUTORY AUDITOR

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

INTERNAL AUDITOR

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

BANKERS

BNP Paribas
State Bank of India
Citybank N.A.

REGISTERED OFFICE & WORKS

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

CORPORATE OFFICE

“The Corenthum”, Office No. 2312,
3rd Floor, 2nd Lobe, Tower-A,
A-41, Sector 62, Noida, Uttar Pradesh
Phone : (0120) 4307910-12
Fax : (0120) 4165888
Email : insilco@evonik.com

REGISTRAR AND SHARE TRANSFER AGENT

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

Email : helpdeskdelhi@mcsregistrars.com

COMPANY’S WEBSITE

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

CONTENTS

Updation of Bank Details & PAN and Dematerialization of physical shares

Dear Shareholders

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

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

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

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

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

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

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

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

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

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

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

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

Annexure I

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

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

Dear Sirs,

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

Folio No. : ______________________________

Name of the First/Sole holder : ______________________________

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

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

Bank's Name : ______________________________

Branch's Name & Address : ______________________________

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PAN : ______________________________

Account No. : ______________________________ Account Type (Saving/Current):_____________

IFSC Code : ______________________________ MICR Code: ____________________

Email Id : ______________________________ Phone No.:________________

Date : ______________________________

Signature of First/Sole Holder
(attested by Bank)

Enclose the following:

(1) Original cancelled cheque leaf (with preprinted name) or Copy of pass book/bank statement attested by banker.

(2) Signature of all shareholder(s) attested by banker.

(3) Self attested Copy of PAN. In case of residence of Sikkim, the requirement of PAN Card be substituted with a valid Identity proof issued by Government.

(4) Self attested Copy of Aadhar Card.

INSILCO LIMITED

Regd. Office & Works : A-5, UPSIDC Industrial Area, Bhartiagram, Gajraula - 244223, Uttar Pradesh
Corporate Office : "The Corenthum", Office No. 2312, 3rd Floor, 2nd Lobe, Tower-A,
A-41, Sector-62, Noida-201309, Uttar Pradesh
Phone : +91 120 4307910-12, Fax : +91 120 4165888,
E-mail: insilco@evonik.com
Website: www.insilcoindia.com
CIN: L34102UP1988PLC010141

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 32nd Annual General Meeting (AGM) of the members of Insilco Limited will be held on Thursday, the 13th day of August, 2020 at 02:30 P.M. through Video Conferencing/ Other Audio Visual Means, to transact the following business: -

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2020 along with the Reports of the Board of Directors and Auditors thereon.
2. To consider and appoint a Director in place of Ms. Meng Tang (DIN: 07012101), who retires by rotation and, being eligible, offers herself for re-appointment.

By Order of the Board

Sd/-

Place : New Delhi **Swati Surhatia**
Date : 23rd June, 2020 **Company Secretary**

NOTES:

1. Given the unprecedented current environment caused by the COVID-19 outbreak, social distancing norms to be followed and the continuing restriction on movement of persons at several places in the country and pursuant to General Circular Nos.14/2020, 17/2020 and 20/2020 dated 8th April 2020, 13th April 2020 and 5th May 2020, respectively, issued by the Ministry of Corporate Affairs ("MCA Circulars") and Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May 2020 issued by the Securities and Exchange Board of India ("SEBI Circular") and in compliance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the 32nd AGM of the Company is being conducted through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM"), which does not require physical presence of members at a common venue.

2. In terms of the MCA Circulars, since the physical attendance of Members has been dispensed with, there is no requirement of appointment of proxies. Accordingly, the facility of appointment of proxies by Members under Section 105 of the Act will not be available for the 32nd AGM. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the Members may be appointed for the purpose of voting through remote e-Voting, for participation in the 32nd AGM through Video Conferencing Facility and e-Voting during the 32nd AGM.

3. National Securities Depositories Limited ("NSDL") will be providing facility for voting through remote e-Voting, for participation in the 32nd AGM through VC/OAVM Facility and e-Voting during the 32nd AGM.

4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.

5. In line with the MCA Circulars and SEBI Circular, the Notice of AGM along with Annual Report 2019-20 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories. Members may note that Notice and Annual Report 2019-20 has been uploaded on the website of the Company at www.insilcoindia.com. The Notice can also be accessed on the website of BSE Limited at www.bseindia.com and the AGM Notice is also available on the website of NSDL at www.evoting.nsdl.com (Agency for providing the Remote e-Voting facility).

6. Since the AGM will be held through VC/OAVM Facility, the Route Map is not annexed in this Notice.

7. The Members can join the AGM through the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for members on first come first served basis. Large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee, Auditors etc. will be allowed to attend the AGM without restriction on account of first come first served basis.

8. The helpline number regarding any query / assistance for participation in the AGM through VC/ OAVM is 1800-222-990.

9. **Voting through Electronic means**

I. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard on General Meetings (SS-2) issued by the Institute of Company Secretaries of India ("ICSI") and Regulation 44 of Listing Regulations read with MCA Circulars and SEBI Circular, the Company is providing remote e-Voting facility to its Members in respect of the business to be transacted at the 32nd AGM and facility for those Members participating in the 32nd AGM to cast vote through e-Voting system during the 32nd AGM.

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

i. The remote e-Voting period will commence on 10th August, 2020 (9:00 AM IST) and end on 12th August, 2020 (5:00 pm IST). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 7th August, 2020 may cast their vote by remote e-Voting. The remote e-Voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

ii. A person who is not a Member as on the cut-off date should treat this Notice of 32nd AGM for information purpose only.

iii. The details of the process and manner for remote e-Voting are explained herein below:

Step 1: Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/.

Step 2: Cast your vote electronically on NSDL e-Voting system.

Details on Step 1 is mentioned below:

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

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

4. Your User ID details are given below :

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

5. Your password details are given below:

   a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password'?

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

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

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

   a) Click on **"Forgot User Details/ Password?"**(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) **“Physical User Reset Password?”** (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

3. Select "EVEN" of company for which you wish to cast your vote.

4. Now you are ready for e-Voting as the Voting page opens.

5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

6. Upon confirmation, the message "Vote cast successfully" will be displayed.

7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

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

   In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request at evoting@nsdl.co.in or contact Ms. Pallavi Mhatre, Manager or Ms. Soni Singh, Asst. Manager, National Securities Depository Limited, Trade World, ‘A’ Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, at the designated email id – evoting@nsdl.co.in, pallavid@nsdl.co.in or SoniS@nsdl.co.in or at telephone nos.:- +91 22 24994545, +91 22 24994559. Members may also write to the Company Secretary at the Company’s email address insilco@evonik.com.

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

I. Those Members, who hold shares in physical form or who have not registered their email address with the Company and who wish to participate in the 32nd AGM or cast their vote through remote e-Voting or through the e-Voting system during the meeting, may obtain the login ID and password by sending : (i) scanned copy of the share certificate (front and back) (ii) a signed request letter mentioning your name, folio number and complete address; and (iii) self attested scanned copy of the PAN Card and self attested copy of the any document (such as Driving Licence, Bank Statement, Election Card, Passport, AADHAR Card) in support of the address of the Member as registered with the Company; to the email address of the Company insilco@evonik.com.

II. In case shares are held in demat mode, Members may obtain the login ID and password by sending scanned copy of (i) a signed request letter mentioning your name, DP ID-Client ID (16 digit DP ID + Client ID or 16 digit beneficiary ID); (ii) self attested scanned copy of client master or Consolidated Demat Account and (iii) self attested scanned copy of the PAN Card, to the email address of the Company insilco@evonik.com.

11. Instructions for Members for participating in the 32nd AGM through VC/OAVM are as under:

I. Members will be able to attend the 32nd AGM through VC/OAVM Facility through the NSDL e-Voting system at https://www.evoting.nsdl.com under shareholders login by using the remote e-Voting credentials and selecting the EVEN for the Company's 32nd AGM. Please note that the Members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the Notice of the 32nd AGM to avoid last minute rush. Further, Members can also use the OTP based login for logging into the e-Voting system of NSDL.

II. Members are encouraged to join the Meeting through Laptops for better experience.

III. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

IV. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

V. **Members can submit questions in advance with regard to the financial statements or any other matter to be placed at the 32nd AGM, from their registered email address, mentioning their name, DP ID and Client ID number/folio number and mobile number, to reach the Company's email address at insilco@evonik.com at least 48 hours in advance before the start of the meeting. Such questions by the Members shall be taken up during the meeting and replied by the Company suitably.**

VI. Members, who would like to express their views or ask questions during the AGM need to register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID number/folio number and mobile number, to reach the Company's email address insilco@evonik.com atleast 48 hours in advance before the start of the 32nd AGM i.e. by 11th August 2020 by 02:30 p.m. IST. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.

VII. Institutional Investors who are Members of the Company, are encouraged to attend and vote in the 32nd AGM through VC/OAVM Facility.

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

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

II. Only those Members, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.

III. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

IV. The Helpline details of the person who may be contacted by the Member needing assistance with the use of technology, before or during the AGM shall be the same persons mentioned for remote e-Voting and reproduced hereunder for convenience:

Ms. Pallavi Mhatre, Manager or Ms. Soni Singh, Asst. Manager, National Securities Depository Limited, Trade World, 'A' Wing, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013, at the designated email id – evoting@nsdl.co.in , pallavid@nsdl.co.in or SoniS@nsdl.co.in or at telephone nos.:- +91 22 24994545, +91 22 24994559.

13. OTHER GUIDELINES FOR MEMBERS

I. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter etc. mentioning the duly authorised signatory(ies), who are authorized to vote, to the Scrutinizer by e-mail to csajay01@gmail.com with a copy marked to evoting@nsdl.co.in.

II. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

III. The voting rights of Members shall be in proportion to their share in the paid up equity share capital of the Company as on the cut-off date of 7th August, 2020.

IV. Any person, who acquires shares of the Company and becomes Member of the Company after the

Company sends the Notice of the 32nd AGM by email and holds shares as on the cut-off date i.e. 7th August, 2020, may obtain the User ID and password by sending a request to the Company's email address insilco@evonik.com or at evoting@nsdl.co.in However, if you are already registered with NSDL for remote e-Voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com.

V. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting or casting vote through e-Voting system during the meeting.

VI. Mr. Ajay Kumar Prajapati, Proprietor of M/s APK & Associates, Practicing Company Secretary, has been appointed as the Scrutinizer to scrutinize the remote e-Voting process and casting vote through the e-Voting system during the meeting in a fair and transparent manner.

VII. The Scrutinizer shall after the conclusion of e-Voting at the 32nd AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-Voting and shall make a consolidated scrutinizer's report of the total votes cast in favour or against, invalid votes, if any, and whether the resolution has been carried or not, and such Report shall then be sent to the Chairman or a person authorized by him, within 48 (forty eight) hours from the conclusion of the 32nd AGM, who shall then countersign and declare the result of the voting forthwith.

VIII. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company at www.insilcoindia.com and on the website of NSDL at www.evoting.nsdl.com immediately after the declaration of Results by the Chairman or a person authorized by him. The Company shall also simultaneously forward the results to the Bombay Stock Exchange where the equity shares of the Company are listed.

14. Pursuant to the MCA Circulars and SEBI Circular, in view of the prevailing situation, owing to the difficulties involved in dispatching of physical copies of the Notice of the 32nd AGM and the Annual Report including therein the Audited Financial Statements, are being sent only by email to the Members. Therefore, those Members, whose email address is not registered with the Company or with their respective Depository Participant/s, and who wish to receive the Notice of the 32nd AGM and the Annual Report and all other communication sent by the Company, from time to time, can get their email address registered by following the steps as given below:-

I. For Members holding shares in physical form, please send scan copy of a signed request letter mentioning your name, folio number, complete address, email address to be registered along with scanned self attested copy of the PAN and self attested copy of any document (such as Driving Licence, Passport, Bank Statement, AADHAR) supporting the registered address of the Member, by email to the Company's email address insilco@evonik.com.

II. For the Members holding shares in demat form, please update your email address through your respective Depository Participant/s.

15. The Register of Members and Share Transfer books of the Company will remain closed for a period of 7 days from 7th August, 2020 to 13th August, 2020 (both days inclusive) in terms of Section 91 of the Companies Act, 2013.

16. During the 32nd AGM, Members may access the scanned copy of Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of Contracts and Arrangements in which Directors are interested maintained under Section 189 of the Act, upon Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com.

17. Under the provisions of Section 72 of the Companies Act, 2013, shareholder(s) is/are entitled to nominate in the prescribed manner, a person to whom his/her/their shares in the Company, shall vest in the event of his/her/their death. Members who are holding shares in physical form and are interested in availing this nomination facility are requested to write to the Company.

18. Details as required in sub-regulation (3) of Regulation 36 of the Listing Regulations and Secretarial Standard on General Meeting (SS-2) of ICSI, in respect of the Director seeking appointment/re-appointment at the 32nd AGM, forms integral part of the Notice of the 32nd AGM.

Annexure - A

DETAILS OF DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT AS REQUIRED UNDER REGULATION 36 OF THE LISTING REGULATIONS:

Name of the Director: Ms. Meng Tang

Date of Birth	23rd March 1972
Date of First Appointment on the Board	13th November 2014
Qualifications	Ms. Meng Tang is having a Degree in International MBA and General Management from Rotterdam School of Management, the Netherlands and Master of Biochemical Engineering from East China University of Science and Technology, China. She is also Bachelor of Science in Chemical Engineering from Xi'an Jiaotong University, China.
Expertise in specific functional area	Approx. 23 years of rich experience in the field of product development, sales and marketing, strategy development, etc. at senior positions.
Directorships in other listed companies	NIL
Memberships / Chairmanships of Committees in other listed Companies	NIL
Memberships / Chairmanships of Committees in the Company	NIL
Shareholding, if any, in the Company	NIL
Disclosure of relationship between Directors inter-se	Not related to any director of the Company

By the order of the Board

Sd/-
Swati Surhatia
Company Secretary

Place : New Delhi
Date : 23rd June, 2020

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 32nd Annual Report together with the Audited Accounts for the Financial Year ended March 31, 2020.

1. THE STATE OF THE COMPANY'S AFFAIRS

A. Financial Highlights

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

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
Gross Turnover	577.47	951.47
Less: Excise duty	-	-
Turnover (net of excise duty)	577.47	951.47
Other Income	53.51	40.47
Total Expenditure (excluding excise duty)	(705.48)	(1028.47)
Profit/(Loss) before Depreciation & Exceptional Items	(74.50)	(36.53)
Depreciation	(28.28)	(24.64)
Profit/(Loss) for the year before exceptional items	(102.78)	(61.17)
Exceptional items	-	-
Profit/(Loss) before tax	(102.78)	(61.17)
(Provision for)/Release of Taxation	(1.95)	0.77
Profit/(Loss) after tax	(104.73)	(60.40)
Other comprehensive income/(loss)	(2.86)	(2.41)
Total comprehensive income/(loss)for the year	(107.59)	(62.81)

B. Results of Operations

Sales of Precipitated Silica during the year were 9,391 MT (previous year 16,537 MT). The Production during the year was 8,314 MT (previous year 16,946 MT). The plant operations have been suspended from 26th October 2019 onwards after refusal of renewal of Consent to operate by UPPCB.

Your Company achieved a sales turnover of Rs. 577 million during the year as compared to Rs. 951 million in the previous year. The Company recorded a loss before depreciation and exceptional items of Rs. 74.50 million as compared to loss before depreciation and exceptional items of Rs. 36.53 million in the previous Financial Year. The Company had reserves of Rs. 322 Million as on 1st April 2019. The total comprehensive loss for the Financial Year 2019-20 was Rs. 108 Million.

C. Future Outlook

There has been lot of uncertainty all over the world due to global trade war, protectionism and COVID-19 Pandemic. The uncertainty leads to many challenges and opportunities. The plant operations of the Company have been suspended since October 26, 2019 due to refusal of "Consent to Operate" by Uttar Pradesh Pollution Control Board (UPPCB) *vide* its orders dated October 22, 2019. The Company filed Fresh Applications by applications of even date dated November 21, 2019, for Consent to Operate, however, the same were dismissed by the UPPCB *vide* order dated February 4, 2020. The Company has challenged the aforestated orders by separate appeals under Section 28 of the Water (Prevention & Control of Pollution) Act, 1974 and Section 31 of the Air (Prevention & Control of Pollution) Act, 1981 respectively before the Special Secretary, Department of Environment, Forest and Climate, Uttar Pradesh against the orders of UPPCB. The matter has not been heard until the date of this report as the hearing is getting delayed due to nation-wide lockdown and consequent restrictions announced by the Government of India and the shift in government priority to handle the COVID-19 Pandemic and due to the non-availability of the Special Secretary, who has been deputized by the state government on an alternate COVID-19 role.

The future of the Company will depend upon obtaining adequate relief in the respective appeals filed before the Special Secretary in the form of a valid Consent to Operate from UPPCB and separately, a valid No Objection Certificate (NOC) from Central Ground Water Authority (CGWA). The Company is trying its best to obtain Consent to Operate to restart its operations. The Company has engaged one of the most renowned law firms to advise it and represent it before the Special Secretary, Department of Environment, Forest and Climate, Uttar Pradesh. The Company's NOC from CGWA for extraction of ground water for Industrial, domestic and green belt use was valid until December 7, 2019. The Company has already obtained the renewal of this NOC for drinking, domestic and green belt use. However, there is a pre-requirement to have valid “Consent to Operate” for issue of NOC by CGWA for Industrial use.

The company has lost all its customer base as the plant operations have been suspended since 26th October 2019 and thereafter the finished goods inventory had also exhausted. It will be a challenge to regain the lost customers after restart of the plant operations considering competitive market situation.

The cost of production of your company is high as compared to competitors as (i) It is dependent on High Speed Diesel (HSD) as fuel which is comparatively expensive and (ii) It is incurring significant expense in treating the effluent before discharging it. The Board of directors had approved the installation of “Propane-LPG” to reduce energy cost. However, the company cannot install this “Propane-LPG” presently as the plant operations have been suspended after refusal of “Consent to Operate” by UPPCB. Moreover, the company has yet to obtain some of the required approvals for the project. It is pertinent to note that while responding to the Company’s application to District Magistrate for issue of no objection certificate (NOC) for its proposed LPG project at Gajraula, Uttar Pradesh State Industrial Development Authority (UPSIDA) had asked the Company to submit its approved building maps and certain information relating to change in shareholding of the Company / it’s promoters since execution of agreement with UPSIDA in the year 1989. Thereafter, UPSIDA has asked the Company to submit certain information and documents to evaluate the levy of transfer charges applicable pursuant to change in shareholding within the Promoters of the Company. The Company has submitted these documents to UPSIDA. However, the Company has further submitted a request letter to UPSIDC/ UPSIDA explaining that the levy of any transfer fee on the Company was not applicable, since the change in the share holdings were within promoters inter-se . No demand has been raised till date by UPSIDA/UPSIDC.

As evaluated by the management and based on legal advice, the liability on the Company for transfer charges cannot be ascertained at this stage.

The Company continues to incur cash loss of over Rs 10 Million per month, since suspension of its operations on October 26, 2019. In the event, the Company is not able to obtain Consent to Operate, it will have no option but to close its operations at the current facility. Moreover, the operations can become commercially viable only after the implementation of LPG project. The relocation of the manufacturing facility to another site is not financially viable, given the cost of relocation and intense competition in the market place.

2. TRANSFER TO RESERVES

The Company had reserves of Rs. 322 Million as on 1st April 2019. The total comprehensive loss for the Financial Year 2019-20 was Rs. 108 Million. Therefore, the closing balance of the Reserves and Surplus as on 31st March 2020 amounted to Rs. 214 Million.

3. DIVIDEND

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

4. OPERATIONS AT PLANT

During the financial year 2019-20, the plant of the Company at Gajraula remained shut down from 27th June 2019 to 9th July 2019 and 23rd August 2019 to 17th September 2019 due to high inventory and to carry out preventive maintenance and cleaning during this time. Besides the plant remained shut down from 27th October 2019 to 31st March 2020. Uttar Pradesh Pollution Control Board (UPPCB) vide its letter dated 22nd October 2019 had refused the Company’s application for renewal of water and air consent. Consequent to above, the Company has suspended its operations on 26th October 2019. The plant operations have not yet restarted as on the date of this report. The company is trying its best to restart the operations.

5. STATEMENT ON RISK MANAGEMENT POLICY

The Board of Directors has developed and implemented a Risk Management Policy for the Company. The Company has taken proper initiatives to mitigate risks. In the opinion of the Board there are following risks which could threaten the existence of the Company:

1. Risk of HSD (Diesel) prices going up substantially.
2. Loss of Market Share if our selling prices are significantly higher than competitors.
3. Environmental Risk if Consent to Operate is granted by UPPCB now but more stringent norms are introduced by State/ Central Government for chemical industries near the Ganga River.
4. Risk of not procuring the Consent to Operate by UPPCB or the appellate authority.

The Board has also taken certain steps to minimize the same and its current status is given below:

Risks

(i) Risk of HSD (Diesel) prices going up substantially; and

(ii) Loss of Market Share if our selling prices are significantly higher than those of competitors

Current Status of Action Taken for (i) and (ii):

The installation of propane-LPG system was approved by the Board of Insilco to reduce the cost of production and mitigate the risk of high HSD prices. However, the company cannot install this "Propane-LPG" system presently as it does not have valid Consent to Operate for its plant.

The Company is also continuing a system of tracking the raw material cost from its major vendors to correlate the prices at which the Company purchases them.

(iii) Environmental Risk if Consent to Operate is granted by UPPCB now but more stringent norms are introduced by State/Central Government for chemical industries near the Ganga River.

The Company was complying with all the pollution control norms and the conditions mentioned in the last water/air Consent to Operate. However, the introduction of any new stringent norms, if any, is beyond the control of the Company and it is not possible to comment on the likely impact of such norms or mitigation measures that can be taken at this stage for these risks.

(iv) Risk of not procuring the Consent to Operate by UPPCB and/or the appellate authority.

The last water/air Consent to Operate from UPPCB was valid till December 31, 2018 and the Company had applied for renewal of its last water/air Consent to Operate on October 3, 2018.

The UPPCB refused the application for renewal of Consent to Operate *vide* its orders dated October 22, 2019. Accordingly, the plant operations of the Company have been suspended since October 26, 2019 due to refusal of Consent to Operate by UPPCB.

The Company continues to incur cash loss of over Rs 10 Million per month, since suspension of its operations on October 26, 2019. In the event, the Company is not able to obtain Consent to Operate, it will have no option but to close its operations at the current facility.

The current status of the action taken on the same is as follows:

The UPPCB had rejected the application for renewal of water/air Consent to Operate, and directed the Company to submit the final report of IIT Roorkee to CPCB to seek suitable directions. The Company thereafter made a representation to the CPCB on October 30, 2019.

The Company has engaged one of the most renowned law firms to advise it and represent it in this matter. The Company thereafter preferred a Writ Petition before the Hon'ble Allahabad High Court challenging the validity and legality of the impugned orders passed by the UPPCB. The Hon'ble High Court while considering the Writ Petition passed an order dated November 13, 2019 wherein it granted liberty to the Company to approach the relevant statutory appellate authority in respect of the impugned orders, and take all points which are available in law.

The Company, considering the economical reasons, conducted discussions with the UPPCB in order to find a solution and reopen the Unit, and filed Fresh Applications by applications of even date dated November 21, 2019, proposing to reduce dilution by fresh water and still maintaining the SAR value of 26. However, UPPCB refused to grant the Consent to Operate based on the Fresh Applications on the following grounds:

1. The study carried out by IIT, Roorkee has not suggested any feasible method for treatment of effluent in order to achieve the norms prescribed under the provisions of Environment (Protection) Rules, 1986. The process of dilution with fresh water cannot be allowed.
2. Unit has not complied with the suggestions for achieving Zero Liquid Discharge made by Joint Committee constituted by Hon'ble National Green Tribunal.
3. The proposal to achieve the norms for SAR by increasing the dosing rate of $MgSO_4$ shall put additional load on river Bagad in terms of TDS concentration and hence the proposal is not acceptable.

On receipt of the refusal orders dated February 4, 2020, the Company preferred separate appeals under Section 28 of the Water (Prevention & Control of Pollution) Act, 1974 and Section 31 of the Air (Prevention & Control of Pollution) Act, 1981 respectively before the Special Secretary, Environment, Department of Environment, UP and to the Special Secretary, Department of Environment, Forest and Climate, Uttar Pradesh against the orders of UPPCB. The matter has not been heard till the date of this report as the hearing is getting delayed due to nation-wide lockdown and consequent restrictions announced by the Government of India and the shift in government priority to handle the COVID-19 Pandemic. Further details on the correspondences with UPPCB in this regard can be found in the below Clause No. 6.

The Board has also approved a Risk Management Policy, which is available on the website of the Company at the following path: https://www.insilcoindia.com/Pdf/Risk%20Management%20Policy.pdf

6. **UPDATE ON GANGA CLEANING MATTER & REFUSAL OF CONSENT TO OPERATE BY UPPCB**

The members are hereby informed that on January 27, 2017, the Company, alongwith other industries at Gajraula, was asked to be present before National Green Tribunal (NGT) on February 6, 2017 in the matter of *M.C. Mehta vs. Union of India and Others* i.e. matter relating to cleaning of the river Ganga. The Company along with other industries summoned, are located at Gajraula, in the catchment of river Bagad which leads to river Ganga.

On February 6, 2017, NGT issued a show cause notice to all the industrial units at Gajraula on the ground of pollution, including Insilco Limited, and asked as to why units at Gajraula should not be shut down. Insilco had filed its detailed reply with the NGT. However, without hearing Insilco's reply, on April 24, 2017, the NGT formed a 'High Power Joint Inspection Committee' (Committee). NGT directed the said Committee to visit all Industrial units at Gajraula on April 25, 2017 and report their compliance status on April 26, 2017 to NGT. Accordingly, an inspection was conducted and verbal feedback was given to NGT on April 26, 2017. Without giving opportunity of being heard to the industries, NGT ordered shut down of all the units at Gajraula including the unit of the Company.

For the Company, the order of NGT dated April 26, 2017 *inter alia* stated that, *"The industry M/s. Insilco Ltd. is using fresh water for dilution of treated effluent which is impermissible. This industry is prescribed with the limit of Sodium Absorption Ratio (SAR). Since it has to maintain that ratio, rather than treating the same appropriately, it is diluted by adding fresh water and further Magnesium Sulphite so that it does not exceed the prescribed limit. This is practically a fraud being played".* The NGT further asked the industries to come up with a future plan for compliance for resuming the operations at the respective units. The matter was scheduled to be heard on May 8, 2017.

The report of the Committee for its visit on April 25, 2017(Report) was available on May 4, 2017 on the website of CPCB which had the following observations for Insilco:

1. The unit generates effluent having high Total Dissolved Solid ("TDS");
2. The unit should opt for Zero Liquid Discharge (ZLD);
3. The unit should adopt recovery of salt (Na2SO4) with any appropriate system and explore possibilities of re-use of treated water at nearby industries; and
4. The unit should stop using fresh water dilution for reducing SAR in order to comply with the consent condition.

The Report also recommended the following:

1. The unit shall stop using fresh water dilution for reducing the SAR in order to comply with the consent condition;
2. The treated water may be used at nearby industries so that the overall stress on the ground water in the area is reduced. This approach shall be through MoU and consent of Uttar Pradesh Pollution Control Board (UPPCB).

After getting the report of committee on May 4, 2017, the Company filed its detailed reply in NGT on May 5, 2017 including a reply to the above observations which were as follows:

1. That no TDS limit has been prescribed for Insilco Limited in the water consent condition. Prescribed conditions are being complied with.
2. ZLD is prescribed only for 5 industries i.e. Distillery, Tannery, Textiles, Pharmaceuticals and Dye and Dye Intermediaries and Insilco do not fall under these prescribed industries.
3. For recovery of salt (Na2SO4) Insilco Limited has reached out to various recognized scientific institutions of the country including "The Indian Institute of Technology (IIT)".
4. That Insilco is complying with the conditions of water consent including conditions with respect to SAR.

This matter was heard on May 8, 2017. The Company pleaded that recommendations with regards to ZLD are not practical for the Company's plant and that the UPPCB should prescribe some appropriate method in place of ZLD. After the hearing, the Plant of the Company was allowed to resume operations subject to following directions:

1. The industry(Company) would pay a sum of INR 1.5 Million voluntarily.
2. The industry will comply with all the recommendations and directions of the Joint Inspection Report immediately.
3. With respect to ZLD and whether the dilution of 1:1 should be permitted, the industry would put forward its case before the Committee, which will offer its comments and place the Report before NGT.
4. The industry will obtain approval from Central Ground Water Authority (CGWA) without any delay.
5. The Committee shall place complete and comprehensive Report including the source, quantum and quality of the ground water that is being extracted by the industry.
6. The inspection Report should be submitted before the Tribunal within two weeks from the date of order (i.e. May 8, 2017).

The order dated May 8, 2017 also stated that if the industry fails to comply with these directions, it should be liable to be closed without any further notice.

The Company deposited INR 1.5 Million on May 9, 2017 with the CPCB and restarted its production thereafter.

The Committee visited the plant of Insilco on May 23, 2017 at Gajraula. The Company explained full compliance status along with the measures taken for improvement to the Committee. As the Company did not receive the copy of the Report despite renewing its Caveats, records of NGT were duly inspected for such report through our legal counsels; however, no such report was filed by the UPPCB with NGT. The Company also continued its Caveats so that advance intimation to Company should be given if any Report is filed with the NGT.

FINAL JUDGEMENT OF NGT

On July 13, 2017, NGT pronounced its detailed judgement in this matter where it gave certain specific directions with respect to Bagad River (drain) and General Directions to Industries at Gajraula and the UPPCB, which are as follows:

Specific Directions

a) The Bagad river to be cleaned, dredged and maintained.

b) Industries at Gajraula to be put under strict surveillance by pollution authorities.

c) The Committee has already been directed to inspect these industries to conform with appropriate conditions for permitting and operating all these functions.

d) Industries to comply with the conditions of water consent and directions of the Committee.

e) If industries fail to comply with such directions, they shall be liable to be closed without any further notice.

f) The Committee to submit compliance report in relation to these industries before NGT at regular intervals.

General Directions

1. ZLD would not be applied straight away on the industries. It has to be on case to case and with reference relevant factors viz. load of effluent being discharged, quality of effluents, the installed antipollution devices, financial viability etc.
2. Extraction of groundwater should be subject to the permission of CGWA.
3. Industries shall contribute finances upto 25% of the total cost of sewage treatment plant, sewage effluent treatment plant etc.
4. The pollution authority shall issue consent orders/ amend issued consent orders to contain conditions with regard to reuse of the treated effluent subject to providing adequate time for compliance. The Authority can implement this direction in stages, giving preferences first in the urban areas and later in rural areas.
5. CGWA to carry out the study and notify the areas which are over exploited, Critical, Semi-critical and Safe zone. There shall be complete prohibition on extraction of groundwater in the critical areas. In other two areas, CGWA shall impose conditions for extraction of groundwater.
6. No new industry should be permitted to start its operation in the catchment area of Bagad river till the time it either becomes a ZLD unit or recycles and reuse its entire treated discharge.
7. The Committee to issue appropriate directions for compliance to ensure prevention and control of pollution of discharge of trade effluent as per law within six weeks from 13th July 2017.
8. Local authority may recover environmental conservation charges from the public at large or class of persons responsible for generation of the same.

STATUS AFTER ORDER DATED 13TH JULY 2017

The Committee has filed one report with NGT which does not contain feedback for Gajraula area. The Company had taken following proactive measures:

- Filed caveat with NGT for giving us opportunity of being heard if report is filed by Committee.
- Obtained the No Objection Certificate from the Central Ground Water Authority for abstraction of Ground Water.
- Installed Ultrasonic Flow Meters – To measure water discharge and mixing of fresh water for dilution.
- Repaired slope pit for storm water drain and provided adequate slope to avoid accumulation of rain water.
- Applied to UPSIDC to increase depth of drain outside factory.
- Installed Electromagnetic Flow Meters at all 3 borewell.
- Shifted discharge pipe for Lagoon.
- Appointed IIT – Roorkee for investigation of a few alternative remedies to mitigate the high sulphate/ high TDS in wastewater of our plant.
- The Company had received final draft report of IIT-Roorkee in November 2018, which was shared with UPPCB vide Company's letter dated December 4, 2018. The Company had *vide* its aforesaid letter dated December 4, 2018 and reminder letter dated January 2, 2019 requested UPPCB for meeting as professors of IIT Roorkee wanted to meet UPPCB to discuss the report before issuing the final report.

There had been few developments/ correspondences with pollution authorities/IIT –

Roorke, which are as follows:

(1) The Company had received a letter from Central Pollution Control Board on November 25, 2017, based on inspection by the Committee, asking for appropriate reason/clarification about high Total Dissolve Solids (TDS) effluent discharge. The Company had replied to the said letter that it was complying with the conditions under the "Consent to Operate" issued by UPPCB. The Company had further mentioned that no TDS level for the effluent discharge had been prescribed for the unit and instead the Company's unit was required to maintain Sodium Absorption Ratio (SAR) limit which was being complied along with all other conditions of the Consent to Operate issued by UPPCB in terms of the decision of the Hon'ble Supreme Court of India.

The Company had also shared the steps taken to improve the infrastructure at the Company's unit.

(2) The Company had received a letter dated January 12, 2018 from UPPCB intimating the Company of recommendations of the Committee which had inspected the unit at Gajraula on May 23, 2017 pursuant to the order of Hon'ble National Green Tribunal (NGT) dated May 8, 2017.

Such recommendations in brief (as per letter dated January 12, 2018) were as follows:

I. To recalculate the dosing of magnesium sulphate to meet Sodium Absorption Ratio (SAR) value within 26 level (in Bagad river).

II. To discontinue in a time bound manner the present chemical addition (magnesium sulphate) in the effluent and its further dilution with ground water to meet the prescribed SAR value within 26 level (in Bagad river).

III. Presence of fluoride (5 to 6 mg/l) in the effluent.

IV. To operate Sewage Treatment Plants (STPs) continuously.

V. To submit time bound action plan for achieving ZLD. Closure may be considered if the unit failed to provide the time bound action plan for achieving ZLD.

The Company had replied to the said letter *vide* the letter dated January 19, 2018. Point wise **summary** of reply was as follows:

I&II. The Company had appointed IIT Roorkee to carry R & D activity for "investigation of a few alternative remedies to mitigate the high sulphate / high TDS in wastewater of our plant and suggestion for economical viable solution with its capex cost and operating cost. These observations would be addressed after the receipt of final report of IIT-Roorkee.

The Company also explained to UPPCB that SAR was imposed on the unit of the Company pursuant to the order of Hon'ble Supreme Court of India, which the Company has been complying along with other applicable pollution norms and consent as per the prevailing technology available in the market.

II. The Company was also getting the samples at Effluent Treatment Plant (ETP) outlet (from V-notch) tested by third party on regular basis and the value of fluoride remains in the range of 1 to 1.5 mg/l. The IIT-Roorkee had also taken the sample for their testing and their interim report concludes Fluoride values as 1.6 mg/l in final discharge. The Company also requested UPPCB, that, if required, they can collect the sample again which could be sent to testing to any independent agency or IIT Roorkee.

III. The Company explained that after the visit of Joint Inspection Team on May 23, 2017, the Company immediately took note of this and repaired slope pit for storm water drain and provided adequate slope to avoid accumulation of rain water. The Company ensures housekeeping and maintenance of good standard in its plant.

IV. The Company had mentioned that for the best interest of the Company and environment, the Company would operate our STPs.

V. The Company had mentioned that it had appointed IIT Roorkee to carry on R & D activity for "investigation of a few alternative remedies to mitigate the high sulphate / high TDS in wastewater of our plant and suggestion for economical viable solution with its capex cost and operating cost." After reports on the same by IIT Roorkee, options of ZLD could be explored. The Company had further explained to UPPCB that on our industry ZLD cannot be achieved and the reasons of the same given were as follows:

- CPCB in one of its guidelines has instructed to all pollution control boards and other departments that the ZLD requirement is possible **only** for the few specified industries and we were not falling into those specified industries. The Company had also mentioned that CPCB has also concluded that for other highly water consuming/polluting industry ZLD is not techno economically viable and CPCB has only suggested water conservation and minimization procedure.

- The Company was not in the list of 17 categories of highly / seriously polluting industries identified by CPCB.
- Detailed judgement of Hon'ble NGT dated July 13, 2017 in the matter of M. C. Mehta vs. Union of India (Original Application no. 200/2014) had, *inter alia*, categorically instructed pollution authorities that ZLD would not be applied to the industrial units straight away and it shall be on case to case basis particularly with reference to the load of effluent being discharged, quality of effluents, etc. This should have reference to the financial viability as well.
- The Company had mentioned that it has received No objection certificate (NOC) from CGWA for Ground Water Abstraction.

(3) IIT Roorkee had intimated to the Company *vide* their letter dated January 25, 2018 that laboratory work at IIT Roorkee was progressing satisfactorily and extension time up to October 30, 2018 was required for successful completion of the study.

(4) The Company *vide* its letter dated April 26, 2018 submitted two interim progress reports to UPPCB alongwith a letter dated January 25, 2018 seeking extension of time till October 30, 2018.

(5) UPPCB vide its e-mail dated May 11, 2018 had granted its approval for renewal of air/water "Consent to Operate". The said Water "Consent to Operate" was valid from January 1, 2018 to December 31, 2018. One of the specific conditions of the said water consent stated as follows:

"The unit will incorporate the recommendations of Joint Inspection Team in the study of IIT, Roorkee, validate the technology from Central Pollution Control Board (CPCB) and ensure Zero Liquid Discharge (ZLD) by way of recycling the treated effluent or other methodology recommended by IIT, Roorkee and approved by CPCB by 31st December 2018."

The Company had replied to UPPCB in relation to the above conditions, that it would request IIT, Roorkee to give its view on the recommendations of the Joint Inspection Team and the Company would be able to discuss this further with UPPCB only after receipt of the final report from IIT, Roorkee.

(6) The Company in October 2018 applied to UPPCB for renewal of Consent to Operate under section 25/26 of Water (Prevention & Control of Pollution) Act, 1974 and under section 21/22 of Air (Prevention & Control of Pollution) Act, 1981. After filing of the Company's application for renewal of the Consents to Operate, UPPCB had raised query that the Company had not submitted the compliance of Zero Liquid Discharge System and compliance of recommendations and suggestions made by Joint Inspection Team (Committee) in compliance of orders of NGT. The Company had, *inter alia*, replied that it would be able to discuss the aforesaid queries after receipt of final report from IIT Roorkee and validating the concept from CPCB as per the water Consent to Operate dated May 8, 2018.

(7) In the last week of November 2018, UPPCB had raised few queries and asked Insilco to submit (i) Compliance of condition of the issued consent order (ii) status of ZLD in the unit and (iii) Status of TDS concentration in treated effluent. The Company had, *inter alia*, replied and (i) given the compliance status of the issued consent order (ii) shared the draft final report of IIT Roorkee dated November 22, 2018 and requested UPPCB for meeting as professors of IIT Roorkee wanted to meet UPPCB to discuss the report before issuing the final report, (iii) Reiterated that pursuant to order of Hon'ble Supreme Court of India dated November 28, 2000, TDS concentration is not applicable on the Company and instead SAR was prescribed for the Company.

(8) IIT Roorkee had evaluated 5 technologies named (i) Reverse Osmosis (RO) Treatment, (ii) Multi-effect evaporation (MEE), (iii) Membrane-based ZLD process consisting of RO followed by multi-effect evaporation and crystallization, (iv) Gypsum precipitation followed by biological treatment and (v) Electrocoagulation with aluminum anode and lime addition followed by Nano filtration. IIT Roorkee had concluded that technically, first 4 evaluated technologies are not feasible for the Company's nature of industry. IIT Roorkee had further mentioned that 5th technology i.e. "Electrocoagulation with aluminium anode and lime addition followed by Nano filtration" may be feasible subject to further Research and Development work for which IIT Roorkee will require time of atleast 18 months. The report of IIT Roorkee also replied to the recommendation of Joint Inspection Team which was received by the Company *vide* UPPCB's letter dated January 12, 2018.

(9) The Company had also sent a reminder to UPPCB dated January 2, 2019 asking UPPCB to discuss the report with professors before issuing the final report and to renew Company's water and air Consent to Operate.

(10) On May 1, 2019 UPPCB raised another query that "Unit has not achieved Zero Liquid Discharge in compliance of recommendation made by the joint inspection committee constituted by the directions of Hon'ble National Green Tribunal.

Hon'ble NGT in its order has directed the unit for ensuring compliance of the recommendations made by joint inspections team. Unit is directed to submit time bound programme within 07 days for compliance of Zero Liquid Discharge." The Company had *inter alia* replied *vide* its letter dated May 6, 2019 that although ZLD should not be forced on the Company's nature of Industry, the Company is already taking necessary steps and willing to further take all possible steps for becoming ZLD after finding the suitable methodology for ZLD. The Company had requested UPPCB to grant water consent for 36 months. The Company had further mentioned that IIT Roorkee requires 18 months approximately to check the feasibility of one of the methodology "Electrocoagulation with aluminium anode and lime addition followed by Nano filtration" and after finding the suitable methodology for ZLD, the Company would require further 18 months approximately for implementation of the best possible technology as prescribed by IIT Roorkee.

(11) IIT Roorkee had submitted its final report dated July 17, 2019 to the Company. The Company had submitted the said report to UPPCB *vide* its letter dated July 20, 2019. A summary of the evaluated technologies are given below:

S. No.	Technology suggested	Viability of Technology	Cost of Technology (Annual Burden)
1	Reverse Osmosis (RO) Treatment	As explained in Section 4.1, it is not recommended due to frequent chocking of membrane because of presence of nano suspended silica particles in the effluent. This technology is not feasible	Not required as technology is not feasible
2	Multi-effect evaporation (MEE)	As explained in Section 4.2, it is not recommended considering adverse environmental effects as it can increase the carbon footprint (Green House Gas emission) in the non-attainment area of Gajraula region. As per UPPCB/CPCB the air pollution load (SPM, SO2, NOX, CO etc.) cannot be increased in non-attainment area. Besides this, it will not be techno-economically viable solution for Insilco due to very high Cost (with reference to Annual Burden/Annual Turnover). This technology is not feasible.	Annual Burden : Rs. 218 Crores. Annual Turnover (as provided by Insilco): Rs. 95 Crores for financial year 2018-19. As per CPCB guideline for "Rational in Evolution of Standards for Industrial Effluents and emission" dated April 1996, a viable treatment should exhibit the ratio of Annual Burden (AB) to Annual Turnover (AT) less than 6 percent whereas, in case of Insilco, it is computed as more than 200%. Thus, it is not a techno-economically viable option. Besides this, there will be capital investment also.
3	Membrane-based ZLD process consisting of RO followed by multi-effect evaporation and crystallization	This technology is combination of the above options at S. Nos. 1 and 2. This is not feasible as explained in Section 4.3.	Not required as technology is not feasible
4	Gypsum precipitation followed by biological treatment	As explained in Section 4.4, this technology is also found non-feasible.	Not required as technology is not feasible
5	Electrocoagulation with aluminum anode and lime addition followed by Nano filtration	As explained in Section 4.5, this technology is not feasible because only Sulphate concentration could be reduced from 20000 ppm to 9000 ppm approx. and Sodium Ion concentration remained same. Since, there is no reduction of Sodium Ion from the effluent, it is not possible to reuse or recycle the water back in the process.	Not required as technology is not feasible

Remarks:

- Except Reverse osmosis (RO), no other treatment technology guarantees removal/reduction of sodium ions from the effluent of Insilco. However, RO technology is not feasible due to frequent chocking of membrane as explained in Section 4.1.
- Except Electrocoagulation (EC) technology, no other treatment technology guarantees removal/significant reduction of sulphate ions from the effluent. However, EC is not feasible as there is no significant reduction of sodium as explained in Section 4.5.
- In present context, there seems to be no feasible technology other than the present practice followed by Insilco for the treatment of Insilco effluent to maintain SAR at 26.

IIT Roorkee had concluded in the report that ***"In present context, there seems to be no feasible technology other than the present practice followed by Insilco for the treatment of Insilco effluent to maintain SAR at 26."***

(12) The Company had written a reminder letter dated August 20, 2019 to UPPCB and requested to grant approval on the application for Air & Water Consent to Operate in light of the findings in the final report of IIT Roorkee and requested to have meeting with Professors of IIT Roorkee.

(13) The professors of IIT Roorkee and the Company met officials of UPPCB in September 2019 on request of the Company. The professors of IIT Roorkee explained the findings of their final report to UPPCB. The Company explained the background and various facts supporting that ZLD is not possible.

(14) UPPCB, *vide* its letters dated October 22, 2019, refused the Company's application for renewal of water and air Consent to Operate on the following ground :

The unit is using fresh water for dilution of effluent to achieve the norms of Sodium Absorption Ratio (SAR) 26. The study carried out by IIT Roorkee has not recommended any feasible method for treatment of the effluent to achieve the prescribed norms. The process of dilution with fresh water cannot be allowed. Keeping the facts in view the Consent to operate water/air application is hereby rejected. Unit may submit final report of IIT, Roorkee to Central Pollution Control Board (CPCB) and seek suitable direction.

Consequent to above, the Company has suspended its operations on October 26, 2019 after utilizing raw material in process.

(15) The Company has made a representation alongwith final report of IIT Roorkee to CPCB on October 30, 2019. The Company also preferred a Writ Petition before the Hon'ble Allahabad High Court, *inter alia*, seeking quashing of the orders dated October 22, 2019 passed by UPPCB or in the alternative, for allowing the Company to resume operations until the CPCB passes suitable directions and for seeking directions to the UPPCB to renew the Company's water and air Consent to Operate.

The matter was heard on November 5, 2019 and November 13, 2019.The Allahabad High Court dismissed the Writ Petition and, *inter alia*, held that the situation was not so exceptional, so as to allow the writ court to intervene, exercising its extraordinary high prerogative discretionary jurisdiction under Article 226 of the Constitution of India. The High Court however noted that the Company was not without any remedy and the statutory alternative appellate remedy was available to the Company in respect of both the orders dated October 22, 2019. The Hon'ble High Court granted liberty to the Company to approach the relevant statutory authority in respect of the impugned orders, and take all points which are available in law. The High Court however noted that if the Company approached the statutory appellate authority, the said authority shall not be influenced in any manner by any observation made in the order and shall decide the appeals strictly in accordance with law.

(16) The officials of the Company, considering the economical reasons, conducted discussions with the UPPCB and proposed a change in the process for water treatment. The Company had submitted a proposal to the UPPCB demonstrating an alternative to dilution with adding fresh water by increase in use of Magnesium Salt ($MgSO_4$) and still maintain the SAR value of 26 and filed a fresh application.

However, the Company received a query on December 21, 2019 from UPPCB on the Fresh Applications, which reads as follows:

"The Joint Committee constituted by Hon'ble NGT, in its report, has recommended that dosing of Magnesium Sulphate shall be reduced, dilution with fresh water is not allowed and unit shall switch over to zero liquid discharge. Hon'ble NGT in its judgement dated 13.7.2017 in OA 200 of 2014 has directed for compliance of recommendation of Joint Committee. Unit has not complied with above. Unit shall submit its reply within 7 days failing which CTO application shall be rejected."

The Company duly replied to the query on December 28, 2019 to grant interim relief till December 31, 2020 by considering any of the following three options:

(i) To allow as per existing methodology i.e. mixing of Magnesium Sulphate (approx. 10 ton per day) and dilution of the same in the ratio of 1:1 with water.

(ii) To allow the mixing of Magnesium Sulphate of approx. 25 ton per day and stop diluting it with water as per our revised proposal.

(iii) To allow the discharge of effluent as it is (without any mixing) which would be at par with other plants of our parent Company (Evonik) worldwide.

(17) UPPCB has written a letter to CPCB on January 21, 2020 stating that the IIT Roorkee report provides that there is no technology that is viable/ feasible to attain ZLD or reduce the value of TDS in the Effluents and therefore forwarded the case to CPCB for appropriate directions which is yet to be responded by CPCB. The letter was sent alongwith the report of Joint Inspection Committee's visit dated May 23, 2017.

(18) The Fresh Applications for Water & Air Consent to Operate have been refused/rejected by UPPCB, *vide* its letters dated February 4, 2020, on the following grounds :

(i) The study carried out by IIT, Roorkee has not suggested any feasible method for treatment of effluent in order to achieve the norms prescribed under the provisions of Environment (Protection) Rules, 1986. The process of dilution with fresh water cannot be allowed.

(ii) Unit has not complied with the suggestions for achieving Zero Liquid Discharge made by Joint Committee constituted by Hon'ble National Green Tribunal.

(iii) The proposal to achieve the norms for SAR by increasing the dosing rate of $MgSO_4$ shall put additional load on river Bagadh in terms of TDS concentration and hence the proposal is not acceptable.

(19) The Company has preferred separate appeals under Section 28 of the Water (Prevention & Control of Pollution) Act, 1974 and Section 31 of the Air (Prevention & Control of Pollution) Act, 1981 respectively before the Special Secretary, Department of Environment, Forest and Climate, Uttar Pradesh against the orders of UPPCB. The matter has not been heard until the date of this report as the hearing is getting delayed due to nation-wide lockdown and consequent restrictions announced by the Government of India and the shift in government priority to handle the COVID-19 Pandemic and due to the non-availability of the Special Secretary, who has been deputized by the state government on an alternate COVID-19 role.

7. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors' state that;

(a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with a proper explanation relating to material departures;

(b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the Financial Year and of the profit and loss of the Company for that period;

(c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the directors had prepared the annual accounts on a going concern basis based on the detailed explanations given in clause no. 1(c) of the Directors report under the heading "Future outlook", clause no. 6 of Directors' report under the heading "Update on ganga cleaning matter & refusal of consent to operate by UPPCB", clause no. 31 of Directors report under the heading "Material orders by governing authorities", note no. 26(d) and note no. 33 of the financial statements and ability of the Company to meet its all financial obligations.

(e) the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and

(f) the directors had devised proper systems to ensure compliances with the provisions of all applicable laws and that such systems were adequate and operating effectively.

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

The Statutory Auditors in their report for the financial year 2019-20 have given qualified opinion and the response of your directors with respect to it is as follows:

The matter has been explained in detail in clause no. 1(c) of the Directors' report under the heading "Future outlook", clause no. 6 of Directors' report under the heading "Update on ganga cleaning matter & refusal of consent to operate by UPPCB", clause no. 31 of Directors' report under the heading "Material orders by governing authorities", note no. 26(d) and note no. 33 of the financial statements.

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

The report of Secretarial Auditor do not contain any qualifications, reservations, adverse remarks or disclaimers.

9. ANNUAL RETURN

In compliance with Section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014, the extract of the Annual Return in Form MGT-9 is attached (Annexure – 1) as a part of this report.

Pursuant to the provisions of Section 134(3)(a), annual return referred to in sub-section (3) of section 92 is also available on the website of the Company at the following link: www.insilcoindia.com —> Investors —> Annual Return. Investors are requested to please refer the same.

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

The Board duly met 4 times in the Financial Year 2019-20 on 20th May 2019, 30th July 2019, 12th November 2019 and 11th February 2020. The attendance of the Directors in the Board meetings is given in clause no. 2.3(C) of Corporate Governance Report.

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

Pursuant to Section 178(1) of the Companies Act, 2013 and Clause 19 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "Listing Regulations"), the Board of Directors has constituted a Nomination and Remuneration Committee. A Nomination and Remuneration Policy of the Company has also been laid down and approved by the Nomination and Remuneration Committee and the Board. The said policy lays down the criteria for the appointment of Directors, Key Managerial Personnel and Senior Management Personnel. The said policy also specifies the remuneration criteria for Director, Senior Management Personnel and other employees including criteria for determining qualification, term/tenure, positive attributes, independence of Directors, criteria for performance evaluation of Executive and Non-executive Directors (including Independent Directors), removal, policy on Board diversity, Directors and Officers' Insurance and other matters as prescribed under the provisions of the Companies Act, 2013 and the Listing Regulations.

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee of the Company, amended the Nomination and Remuneration Policy to align the same with some recent amendments implemented through SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The key changes include, inter alia, recommendations to the Board the remuneration, in whatever form, payable to Senior Management. The Policy is directed towards a structure that provides adequate rewards and compensation to the employees at all level.

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

12. SECRETARIAL AUDIT

As required under Section 204(1) of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, M/s. Nityanand Singh & Co., Practising Company Secretaries having its address at 14, 2nd Floor, Arjun Nagar, Safdarjung Enclave, New Delhi - 110029 has conducted the Secretarial Audit of the Company for the Financial Year 2019-20. The Secretarial Audit Report issued by the said firm is attached to this report as **Annexure-2.**

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

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

14. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

"All the related party transactions entered during the Financial Year 2019-20 were in ordinary course of the business and were on an arm's length basis. In terms of the Act, no material related party transactions were entered during the Financial Year by the Company. The disclosure of related party transactions as required under Section 134(3)(h) of the Companies Act, 2013 in Form AOC 2 is not applicable on the Company for the financial year under review. Members may refer to Note no. 25 to the financial statement which sets out related party disclosures for the financial year ended 31st March 2020.

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

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

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

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

A. Conservation of Energy

Your Company always emphasizes on conservation of Energy and Natural Resources. The Company is giving priority to energy conservation measures including a regular review of energy generation, consumption and effective control on utilization of energy. The company is taking initiatives for saving in energy consumption on routine manner. Some of initiatives taken during the year are as follows:

- The Company has installed semi transparent sheets in warehouse for natural lighting. The Capital expense for the same is Rs. 5 Lacs approximately.
- The Company has replaced some High Pressure Sodium Vapour lamp street lights with LED lighting.

The Board of directors has already approved the installation of "Propane-LPG" to reduce energy cost which will be used as an alternate to High Speed Diesel (HSD) in its manufacturing process. However, the company cannot install this "Propane-LPG" presently as it does not have valid 'Consent to Operate" for its plant.

B. Technology Absorption

1. The effort made towards technology absorption

The technology for manufacture of various grades of Precipitated Silica has been supplied by the parent Company, Evonik Operations GmbH (formerly known as Evonik Degussa GmbH), Germany. We believe that it is important that in future we can offer an even broader technology support/base to meet our customers' growing long-term needs. The modification of process, equipment and products are carried out to meet changes in market requirements and to improve operational efficiency.

2. Benefits derived from the above efforts

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

3. Technology imported during the last three years

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

4. Expenditure on Research and Development

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

C. Foreign Exchange earnings and outgo

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

(Rs. in '000)

Total Foreign Exchange used and earned	Year ended 31st March 2020	Year ended 31st March 2019
a) Total Foreign Exchange earned	36,591	24,519
b) Total Foreign Exchange used	11,875	13,552

17. POLICY ON PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

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

18. IMPACT of COVID-19 on Financials

The nationwide lockdown had been announced from March 25, 2020 due to COVID-19 pandemic. There is no major impact on the business of the Company as our plant operations had already been suspended since October 26, 2019 due to refusal of Consent to operate by UP Pollution Control Board (UPPCB). The Company does not have any outstanding debt or other financing agreements. The Company have adequate digitized systems which ensured us to have smooth internal financial reporting and control in this situation. We had filed appeal to the Special Secretary, Department of Environment, Forest and Climate, Uttar Pradesh on 26th February 2020 against the Uttar Pradesh Pollution Control Board (UPPCB) orders dated October 22, 2019 and February 4, 2020 for refusal of consent to operate. The hearing has not yet taken place due to nation-wide lockdown and it is getting delayed as there is shift in government priority to handle CoVID-19. This has adverse impact on our financials as the outcome of the hearing is getting delayed and the impact of the same cannot be ascertained.

19. CORPORATE SOCIAL RESPONSIBILITY (CSR) OF THE COMPANY

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

20. WHISTLE BLOWER POLICY

Pursuant to the provisions of Section 177(10) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations, the Company has established a "Whistle Blower Policy" for employees to report to the management instances of unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The said mechanism is available to all the employees of the Company and operating effectively. During the year, the Company has not received any complaint through such mechanism. A copy of the said policy is available on the website of the Company at the following path: http://www.insilcoindia.com —> Investors —> Policies —> Whistle Blower Policy.

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

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

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

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

The performance evaluation of the Independent Directors have been done by the entire Board, excluding the Director being evaluated on the basis of performance and fulfilment of the independence criteria as specified under the Companies Act, 2013 and the Listing Regulations.

22. CHANGE IN THE NATURE OF BUSINESS, IF ANY

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

23. DIRECTORS & KEY MANAGERIAL PERSONNEL (KMP)

Change in Directors and KMP

Consequent to the resignation of Mr. Sarvesh Kumar Upadhyay as Company Secretary w.e.f. 01st January 2020, Ms. Swati Surhatia was appointed as Company Secretary of the Company w.e.f. 02nd March 2020. Ms. Swati Surhatia is a Commerce Graduate from Delhi University and an Associate member of the Institute of Company Secretaries of India. She has also done Bachelor of Law from CCS University, Meerut, Uttar Pradesh, India. She has an experience of more than 7 years in Company Secretarial and legal field.

Term of Independent Directors

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

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

Directors retiring by rotation

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Brijesh Arora was liable to retire by rotation in the last AGM held on 13th September 2019. Being eligible, he offered himself for re-appointment and the members appointed him as a Director.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Ms. Meng Tang shall retire by rotation at the ensuing AGM of the Company and being eligible offers herself for re-appointment. The Board recommends her re-appointment to the members of the Company in the ensuing AGM.

Statement on declaration given by Independent Directors

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

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

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

Familiarization program for Independent Directors

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

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

24. DISCLOSURES RELATED TO REMUNERATION OF DIRECTORS AND KMPs

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

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

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

Ratio of remuneration of Mr. Brijesh Arora to median remuneration of employees during the Financial Year 2019-20 was 16.11:1.

c. Percentage increase in remuneration of each Director and KMP

The annual increment of remuneration of employees is done every year w.e.f. 1st April. The annual increment w.e.f. 1st April 2019 of Director and KMPs are given below in % alongwith the designation as on the date of approval of this report.

Name	Director/KMP	% increase (w.e.f. 1st April 2019)
Mr. Brijesh Arora	Managing Director	6.0%
Ms. Shivangi Negi	KMP (Director Finance & Chief Financial Officer)	11.69%
Mr. Sarvesh Kumar Upadhyay*	KMP (Company Secretary)	13.74%

* Mr. Sarvesh Kumar Upadhyay ceased as Company Secretary w.e.f 01st January, 2020.

d. Percentage increase in the median remuneration of employees

The percentage increase in the median remuneration of employees in the Financial Year 2019-20 was 10.36%.

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

As on 31st March 2020, your Company had 108 permanent employees on the rolls of the Company.

f. Average percentage increase already made in the salaries of employee other than the managerial personnel in the Financial Year and its comparison with the percentage increase in the managerial remuneration and justification thereof and exceptional circumstances for increase in the managerial remuneration, if any

Particulars	Financial Year 2019-20
Average percentage increase in the salaries of employee other than Managerial Personnel	9.44%
Average percentage increase in salary of Managerial Personnel	6.0%

g. Policy compliance affirmation

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

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

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

- who was employed throughout the Financial Year 2019-20 and was in receipt of remuneration for that financial year of not less than Rs.10,200,000/- ; or
- who was employed for a part of the Financial Year 2019-20 and was in receipt of remuneration at a rate which was not less than Rs. 850,000/- per month; or
- who was employed throughout or part of the Financial Year 2019-20 and was in receipt of remuneration in that Financial Year, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the Managing Director or Whole-time Director and holds by himself or along with its spouse and dependent children, not less than two percent of the equity shares of the Company.

Top ten employees in terms of remuneration drawn during the Financial Year 2019-20

S.No.	Name (In Alphabetical Order)	Designation (as on 31st March 2020)
1	Mr. Anurag Srivastava	Head – Site HR & Facilities
2	Mr. Ashok Kumar Pandey**	Director - Procurement & Supply Chain
3	Mr. Brijesh Arora	Managing Director
4	Dr. Madan Gopal Sinha	Director - Works & Plant Head
5	Mr. Manoj Kumar	Head of IT & Supply Chain
6	Mr. Pradeep Kumar	Head of ESHQ
7	Mr. Rajeev Agarwal	Deputy General Manager – Controlling
8	Mr. Sandeep Kumar Gupta	Head of Engineering
9	Mr. Sarvesh Kumar Upadhyay*	Company Secretary & Key Account Lawyer
10	Ms. Shivangi Negi	Director Finance & Chief Financial Officer

*Mr. Sarvesh Kumar Upadhyay ceased from the position of Company Secretary w.e.f. 1st January, 2020.

** Mr. Ashok Kumar Pandey has retired on 31st December 2019.

26. AUDITORS

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

The members are also hereby informed that during the year an appeal of PW India firms (including Price Waterhouse & Co Chartered Accountants LLP) was heard by the Securities Appellate Tribunal (SAT). The SAT, vide its final order dated September 9, 2019, decided the appeal in favour of the PW India firms (including Price Waterhouse & Co Chartered Accountants LLP) quashing the SEBI order dated January 10, 2018 restricting the PW India firm undertaking statutory audit and other certification work for listed companies and intermediaries registered with SEBI for a period of 2 years. The SAT has also quashed SEBI Order directing listed companies and intermediaries not to engage PW India firms as auditors. Subsequently, SEBI has filed an appeal to the Supreme Court of India against the order of SAT. The appeal is still pending for disposal, however, the Hon'ble Supreme Court of India vide its interim order dated November 18, 2019 has limited stayed some observations made in the SAT order as to powers and jurisdiction of SEBI.

Based on legal opinion received by the Statutory Auditor, there has been no stay on the operation of the SAT order in totality and there is no restraint order presently on Price Waterhouse firms (including Price Waterhouse & Co Chartered Accountants LLP), which restrains them from carrying out audit of listed companies. The Board of Insilco is of the view that Price Waterhouse & Co Chartered Accountants LLP will be able to serve as Statutory Auditor of Insilco Limited for the year ending 31st March 2021 as Hon'ble Supreme court of India will be under obligation to protect interest of the companies for whom PW firms are already acting as Statutory Auditor as per the well-established principles of law.

27. COST AUDITOR/MAINTENANCE OF COST RECORDS

Maintenance of Cost Records for the Financial Year 2019-20

Pursuant to the provisions of the Companies (Cost Records and Audit) Rules, 2014 dated 30th June 2014 as amended vide notification dated 31st December 2014, in the Financial Year 2019-20, the Company is required to maintain cost records and accordingly such accounts and records are made and maintained. The Board has appointed M/s. Ajay Ahuja and Associates, Cost Accountant (Registration No. 101142), for maintenance of Cost Records of the products of the Company for the Financial Year ended 31st March 2020. The Cost records of the Company will be presented before the Audit Committee/Board in due course of time.

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

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

Maintenance of Cost Records for the Financial Year 2018-19

The Company was required to maintain cost records for the Financial Year 2018-19. The Board had appointed JSN & Co., Cost Accountant (Registration No. 000455) for maintenance of Cost Records of the products of the Company for the Financial Year ended 31st March 2019. The report/certificate of JSN & Co., was placed before the Board in its meeting dated 30th July 2019.

28. AUDIT COMMITTEE

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

As on 31st March 2020		
S. No.	**Name of the Director**	**Designation in Audit Committee**
1	Mr. Dara Phirozeshaw Mehta	Chairman
2	Ms. Sonia Prashar	Member
3	Mr. Sanjeev Taneja	Member

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

29. DISCLOSURE REGARDING SUBSIDIARIES, JOINT VENTURE OR ASSOCIATE COMPANIES

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

30. DEPOSITS

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

31. MATERIAL ORDERS BY GOVERNING AUTHORITIES

There were no significant or material orders passed by any governing authority of the Company including regulators, courts or tribunals, which could affect the going concern status and the Company's operations in future except as stated in Point No. 6 of this report. It is to be noted that the plant operations of the company have been suspended since 26th October 2019 due to refusal of "Consent to Operate" by Uttar Pradesh Pollution Control Board (UPPCB). The Company has filed appeal to the Special Secretary, Department of Environment, Forest and Climate, Uttar Pradesh against the orders of UPPCB. In the event, the company is not able to obtain consent to operate, it will have no option but to close its operations. The relocation of the manufacturing facility to another site is not financially viable, given the cost of relocation and intense competition in the market place.

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

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

33. VALUE CREATION FOR CUSTOMERS

In our diverse and globalized world, it is becoming more and more important to gain a better understanding of the requirements of our customers and end-customers. Changing our perspective to view the world through the eyes of our customers allows us to see things differently and thus develop exceptional solutions. Our willingness to remain open to new things and to think in a flexible manner is the key to our culture of learning and innovation. As a Company, we are committed to provide our internal and external customers products and services that always unequivocally meet the agreed quality standards.

We offer a complete package solution of product plus service. This is one of the reasons that many of our customers prefer to buy from us.

34. SOCIAL RESPONSIBILITY

Good governance demands adherence to social responsibility coupled with creation of value in the larger interest of the general public. We are committed to continuously improving our performance in the areas of environmental protection, health and safety as well as to the principles of sustainable development and responsible care. We continue to contribute to society by appropriate means. We aim to enhance the quality of life of the community in general and have a strong sense of social responsibility.

35. WE BELIEVE IN QUALITY AS A SUCCESS FACTOR

Within the scope of Total Quality Management (TQM), we are continuously striving to improve the quality of our products, services and processes.

Learning from the global best practices of our parent Evonik Industries, we offer the same to our customers. This is the most important factor that our customers value and continue to support us.

36. PROCUREMENT EFFICIENCY AND SUPPLY CHAIN

Procurement is an essential element in the value-chain. We regard intensive cross-functional collaboration within the Company as indispensable. We have integrated procurement with the overall supply-chain function at the plant to make it more efficient and part of a cross-functional team at the plant.

37. CUSTOMER ORIENTATION STARTS WITH TALENT DEVELOPMENT AND FAIRNESS

The key to any success is a motivated and committed workforce. With support from Evonik and Management of Insilco, we have been conducting in-house skill development and training programmes. We also encourage our workforce to build a more customer-oriented approach.

38. CERTIFICATIONS AND RECOGNITIONS

Our plant at Gajraula is certified under the Environment Management Standard ISO 14001-2015 and Quality Management Standard ISO 9001-2015. We have renewed HALAL and KOSHER certificates during the year for Food Safety Management System. Apart from this, we are also HACCP and FSSAI certified Company for the Food Safety Management System.

39. REPORT ON CORPORATE GOVERNANCE

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

i. Report on Corporate Governance together with a Certificate from Practising Company Secretary on compliance with the conditions of Corporate Governance as per provisions of Listing Regulations are attached as **Annexure - 3 and 3.3** respectively.

ii. Certificate by Managing Director regarding compliance of Code of Conduct by the members of Board and Senior Management as per provisions of Listing Regulations is attached as **Annexure – 3.1**.

iii. Certificate from Managing Director and Chief Financial Officer regarding correctness of the financial statements presented to the Board is attached as **Annexure – 3.2**.

40. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

41. COMPLIANCE OF SECRETARIAL STANDARDS

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

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

Pursuant to the provisions of regulation 26(5) of the Listing Regulations, the Senior Management of the Company have made a disclosure to the Board of Director that they have no personal interest in relation to all material, financial and commercial transactions that may have a potential conflict with the interest of the Company at large.

43. INDUSTRIAL RELATIONS

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

44. FORWARD-LOOKING STATEMENT

This Report including its annexures contains forward–looking statements that involve risks and uncertainties. The actual outcome, performance or achievements could differ materially from those expressed or implied in such forward–looking statements. Significant factors that could make a difference to the Company's operations include domestic and international economic conditions affecting demand-supply and price conditions, changes in government regulations, environmental regulations, tax regimes and other statutes.

45. ACKNOWLEDGEMENT

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

Your Company is thankful to the parent Company Evonik Operations GmbH (formerly known as Evonik Degussa GmbH), Germany for continuously providing excellent management, technical and marketing support.

For & on behalf of the Board of
Insilco Limited

Sd/-	**Sd/-**
Sonia Prashar	**Brijesh Arora**
Director	**Managing Director**
DIN : 06477222	**DIN : 00952523**

Place: **New Delhi**
Date : **23rd June 2020**

Annexure-1

FORM NO. MGT.9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March,2020
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Description of Main Activity group	Description of Business Activity	% to total turnover of the company
1	Manufacture of basic chemical elements - Precipitated Silica	20116	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (Including Joint Ventures)–

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

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

***formerly known as Evonik Degussa GmbH**

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category-wise Shares Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) **Indian**									
(a) Individual/HUF	0	0	0	0	0	0	0	0	0.00
(b) Central Govt	0	0	0	0	0	0	0	0	0.00
(c) State Govt(s)	0	0	0	0	0	0	0	0	0.00
(d) Bodies Corp.	0	0	0	0	0	0	0	0	0.00
(e) Banks/FI	0	0	0	0	0	0	0	0	0.00
(f) Any Other	0	0	0	0	0	0	0	0	0.00
Sub-total (A) (1):-	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0.00**
(2) **Foreign**									
(a) NRIs-Individuals	0	0	0	0	0	0	0	0	0.00
(b) Other-Individuals	0	0	0	0	0	0	0	0	0.00
(c) Bodies Corp.	45,853,315	0	45,853,315	73.11	45,853,315	0	45,853,315	73.11	0.00
(d) Banks/FI	0	0	0	0	0	0	0	0	0.00
(e) Any Other	0	0	0	0	0	0	0	0	0.00
Sub-total (A) (2):-	**45,853,315**	**0**	**45,853,315**	**73.11**	**45,853,315**	**0**	**45,853,315**	**73.11**	**0.00**
Total shareholding of Promoter (A)= (A)(1)+(A)(2)	**45,853,315**	**0**	**45,853,315**	**73.11**	**45,853,315**	**0**	**45,853,315**	**73.11**	**0.00**
B. Public Shareholding									
1. **Institutions**									
(a) Mutual Funds	0	14,060	14,060	0.02	7,000	14,060	21,060	0.03	+0.01
(b) Banks/FI	330	23,350	23,680	0.04	330	23,350	23,680	0.04	0.00
(c) Central Govt	0	0	0	0	0	0	0	0	0.00
(d) State Govt(s)	0	0	0	0	0	0	0	0	0.00
(e) Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
(f) Insurance Companies	0	0	0	0	0	0	0	0	0.00
(g) FIIs	0	0	0	0	0	0	0	0	0.00
(h) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0.00
(i) Others (specify)	0	0	0	0	0	0	0	0	0.00
Sub-total (B)(1):-	**330**	**37,410**	**37,740**	**0.06**	**7,330**	**37,410**	**44,740**	**0.07**	+0.01
2. **Non-Institutions**									
(a) Bodies Corp.									
(i) Indian	2,234,616	73,320	23,07,936	3.68	2,020,841	73,320	2,094,161	3.35	-0.33
(ii) Overseas	165,080	0	165,080	0.26	165,080	0	165,080	0.26	0
(b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	7,580,327	2,395,877	9,976,204	15.91	7,641,771	2,341,707	9,983,478	15.92	+0.01

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(ii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh	4,240,059	0	4,240,059	6.77	4,466,247	0	4,466,247	7.12	+0.35
(c) Others (specify)									
NRI	133,456	1,170	134,626	0.21	106,769	1,170	107,939	0.17	-0.04
Trusts	40	0	40	0.00	40	0	40	0.00	0.00
Sub-total (B)(2):-	**14,353,578**	**2,470,367**	**16,823,945**	**26.83**	**14,400,748**	**2,416,197**	**16,816,945**	**26.82**	-0.01
Total Public Shareholding(B)= (B)(1)+(B)(2)	14,353,908	2,507,777	16,861,685	26.89	14,408,078	2,453,607	16,861,685	26.89	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0.00
Grand Total(A+B+C)	**60,207,223**	**2,507,777**	**62,715,000**	**100.00**	**60,261,393**	**2,453,607**	**62,715,000**	**100.00**	N.A.

(ii). Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	
1.	*Evonik Operations GmbH	45,853,315	73.11	0.00	45,853,315	73.11	0.00	0.00
	Total	**45,853,315**	**73.11**	**0.00**	**45,853,315**	**73.11**	**0.00**	**0.00**

**formerly known as Evonik Degussa GmbH*

(iii) Change in Promoters' Shareholding (please specify, if there is no change): There was no change in the promoters' Shareholding during the Financial Year 2019-20.

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

Sl. No.	Name	Shareholding at the beginning of the year		Date	Increase/ decrease in Share-holding	Reason	Cumulative Shareholding during the year	
		No. of shares (April 1, 2019)/ end of the year (March 31, 2020)	% of total shares of the Company				No. of shares (April 1, 2019 to March 31, 2020)	% of total shares of the Company
1.	**Aman Finvest Pvt Ltd.**	0	0	01.04.2019	Nil	NA	0	0
				08.11.2019	+4,47,566	Purchase	4,47,566	0.71
				15.11.2019	+2,434	Purchase	4,50,000	0.72
		4,50,000	0.72	31.03.2020	Nil	NA	4,50,000	0.72
2.	**Dharam Chand Baheti**	352,995	0.56	01.04.2019				
		352,995	0.56	31.03.2020	Nil	N.A.	352,995	0.56

Sl. No.	Name	Shareholding at the beginning of the year		Date	Increase/ decrease in Share-holding	Reason	Cumulative Shareholding during the year	
		No. of shares (April 1, 2019)/ end of the year (March 31, 2020)	% of total shares of the Company				No. of shares (April 1, 2019 to March 31, 2020)	% of total shares of the Company
3.	**Ishvam Portfolio Private Limited**	440,677	0.70	01.04.2019	Nil	NA	440,677	0.70
				08.11.2019	-1,97,811	Sale	2,42,866	0.39
				15.11.2019	+68,110	Purchase	3,10,976	
		310,976	0.50	31.03.2020	Nil	NA	310,976	0.50
4.	**Unique Securities Private Limited**	180,524	0.29	01.04.2019	Nil	NA		
		180,524	0.29	31.03.2020			180,524	0.29
5.	**Sonex Investments Ltd.**	165,080	0.26	01.04.2019	Nil	N.A.		
		165,080	0.26	31.03.2020			165,080	0.26
6.	**Keshav Bhalotia**	150,000	0.24	01.04.2019	Nil	N.A		
		150,000	0.24	31.03.2020			150,000	0.24
7.	**Rural Engineering Co. Pvt. Ltd**	115,000	0.18	01.04.2019	Nil	N.A		
		115,000	0.18	31.03.2020			115,000	0.18
8.	**Doon Realtors (Pvt) Ltd.**	111,770	0.18	01.04.2019	Nil	N.A		
		111,770	0.18	31.03.2020			111,770	0.18
9.	**Rajesh Kumar Somani**	101,000	0.16	01.04.2019	Nil	N.A		
		101,000	0.16	31.03.2020			101,000	0.16
10.	**Eureka Commodity Brokerage Pvt. Ltd.**	0	0	01.04.2019	Nil	NA	0	0
				26.04.2019	+100,000	Purchase	100,000	0.16
		100,000	0.16	31.03.2020	Nil	NA	100,000	0.16

(v) Shareholding of Directors and Key Managerial Personnel: Directors or Key Managerial Personnel did not have any shareholding in the Company during the Financial Year 2019-20**.**

V. INDEBTEDNESS

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Mr. Brijesh Arora-Managing Director	Total Amount
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6,901,155	6,901,155
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	56,127	56,127
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission		
	- as % of profit	-	-
	- others, specify		

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	Mr. Brijesh Arora-Managing Director	Total Amount
5.	Others, please specify		
	- Contribution to Provident Fund	450,720	450,720
	Total (A)	7,408,002	7,408,002
	Ceiling as per the Act	-	-

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

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. Dara Phirozeshaw Mehta	Ms. Sonia Prashar				
1.	Independent Directors						
	• Fee for attending board/ committee meetings	4,30,000	3,10,000				7,40,000
	• Commission	NIL	NIL				NIL
	• Others, please specify	NIL	NIL				NIL
	Total (1)	**4,30,000**	**3,10,000**				**7,40,000**
2.	Other Non-Executive Directors			**Ms. Meng Tang**	**Mr. Christian Schlossnikl**	**Mr. Sanjeev Taneja**	
	• Fee for attending board/ committee meetings			-	-	-	-
	• Commission			-	-	-	-
	• Others, please specify			-	-	-	-
	Total (2)			-	-	-	-
	Total (B)=(1+2)	**4,30,000**	**3,10,000**	**-**	**-**	**-**	**7,40,000**
	Total Managerial Remuneration (A+B)						
	Overall Ceiling as per the Act						

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

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel				
		CEO	Company Secretary		CFO	Total
			Mr. Sarvesh Kumar Upadhyay*	Ms. Swati Surhatia**	Ms. Shivangi Negi	
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	NA	14,05,607	21,601	15,02,184	29,29,392
	(b) Value of perquisites u/s17(2) Income-tax Act, 1961	NA	14,998	-	16,191	31,189
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	NA	-	-	-	-
2.	Stock Option					
3.	Sweat Equity					
4.	Commission - as % of profit - Others, specify					

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel				
		CEO	Company Secretary		CFO	Total
			Mr. Sarvesh Kumar Upadhyay*	Ms. Swati Surhatia**	Ms. Shivangi Negi	
5.	Others, please specify					
	- Contribution to Provident Fund	NA	75,156	2,592	1,05,768	1,83,516
	Total		14,95,761	24,193	16,24,143	31,44,097

** Mr Sarvesh Kumar Upadhyay has resigned from the post of Company Secretary w.e.f. 01st January, 2020.*

*** Ms Swati Surhatia has been appointed as Company Secretary of the Company w.e.f. 02nd March, 2020.*

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There was no Penalties/Punishment/Compounding of offences under the Companies Act, 2013 against the Company, Directors or any other officer in default, during the year ended 31st March, 2020.

Annexure 2

Form No. MR-3
SECRETARIAL AUDIT REPORT
For The Financial Year Ended 31st March, 2020
[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
Insilco Limited

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period ended on 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Insilco Limited** (**"The Company"**) for the financial year ended 31st March, 2020 in accordance to the provisions of:

I. The Companies Act, 2013 (**the Act**) and the Rules made thereunder;

II. The Securities Contracts (Regulation) Act, 1956 (**'SCRA'**) and the Rules made thereunder;

III. The Depositories Act, 1996 and the Regulations as amended time to time and Bye-laws framed thereunder;

IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**'SEBI Act')** to the extent applicable to the Company :-

  a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

  c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and amendments from time to time;

  d. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

  e. The Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015.

  f. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

  g. The Memorandum and Articles of Association of the Company.

VI. The following Acts:

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

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

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

i) Mandatory Secretarial Standards issued by The Institute of Company Secretaries of India.

ii) Listing Agreements entered into by the Company with Stock Exchanges.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive

Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

We further report that during the audit period, there is no major event having bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

There has been no instance of:

- Public/Rights/Preferential issue of shares/debentures/ sweat equity.
- Redemption/buy back of securities.
- Major Decision taken by the members in pursuance to section 180 of the Companies Act, 2013
- Merger/amalgamation/reconstruction etc.
- Foreign technical collaborations.

For Nityanand Singh & Co.,
Company Secretaries

Sd/-
Nityanand Singh(Prop.)
FCS No. : 2668/ CP No. : 2388
UDIN: **F002668B000174752**

Place : New Delhi
Date : 23rd April, 2020

Annexure -A

To,
The Members,
INSILCO LIMITED
A 5 UPSIDC INDUSTRIAL AREA
PO BHARTIAGRAM, GAJRAULA
DISTT. J P NAGAR, UTTAR PRADESH-244223

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

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

For Nityanand Singh & Co.,
Company Secretaries

Sd/-
Nityanand Singh(Prop.)
FCS No. : 2668/ CP No. : 2388
UDIN: **F002668B000174752**

Place : New Delhi
Date: 23rd April, 2020

Annexure-3

CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR 2019-20

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

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

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

2. BOARD OF DIRECTORS

2.1 Composition of Board

The Board of Insilco Limited consists of an optimum combination of Executive and Non-Executive Directors to ensure independent functioning of the Board. As on 31st March 2020, the Board has 6 (six) Members comprising 1(one) Executive and 5(five) Non-Executive Directors. Out of 5(five) Non-Executive Directors, 2 (two) are Independent Directors. There are 2 (two) Women Director including 1 (one) Independent Director. The Chairman of the Board is an Non-Executive Independent Director. The Independent Directors fulfill the conditions specified in Listing Regulations and are independent of the management. The Composition of the Board is in conformity with Regulation 17 of the Listing Regulations relating to the composition in terms of Non-Executive/ Independent Directors.

None of the Directors on the Board is a member of more than 10 (ten) Committees or Chairman of more than 5 (five) Committees as specified in Regulation 26 of Listing Regulations. The Directors have made necessary disclosures regarding their directorships and Committee positions in other Companies as on 31st March 2020. None of the Directors is holding directorship in more than seven listed entity nor serve as an independent director in more than seven listed Companies.

Mr. Brijesh Arora, Managing Director of the Company, does not serve as an Independent Director in any listed entity.

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

2.2 The names and categories of the Directors on the Board and the number of directorships and committee memberships/chairmanship held by them in other companies as on 31st March 2020 are given below:

Name of the Director	DIN	Category	Designation	No. of Directorships[1], Committee Chairmanships/ Memberships[2] in other Companies		
				Other Directorships	Committee Chairmanship	Committee Memberships
Mr. Dara Phirozeshaw Mehta	00041164	Non-Executive, Independent	Chairman	5	Nil	Nil
Mr. Brijesh Arora	00952523	Executive	Managing Director	Nil	Nil	Nil
Mr. Christian Schlossnikl	07557639	Non-Executive, Non-Independent	Director	1	Nil	Nil
Mr. SanjeevTaneja	08055630	Non-Executive, Non-Independent	Director	3	Nil	Nil
Ms. Meng Tang	07012101	Non-Executive, Non-Independent (Woman)	Director	1	Nil	Nil

Name of the Director	DIN	Category	Designation	No. of Directorships[1], Committee Chairmanships/ Memberships[2] in other Companies		
				Other Directorships	Committee Chairmanship	Committee Memberships
Ms. Sonia Prashar	06477222	Non-Executive, Independent (Woman)	Director	2	Nil	Nil

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

[1]This includes Public and Private Companies and excludes Section 8 and Foreign Companies.

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

The names of listed entities where the director is director:

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

None of directors of the Company is director in any other listed entity as on March 31, 2020.

2.3 BOARD MEETINGS AND PROCEDURE

A. BOARD PROCEDURE

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

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

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

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

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

B. DETAILS OF BOARD MEETINGS HELD DURING THE FINANCIAL YEAR 2019-2020

Four(4) Board Meetings were held during the Financial Year ended 31st March 2020. The Board meets at least 4 (four) times in a year, with maximum time gap of one hundred and twenty days between any two meetings as prescribed under Regulation 17 of the Listing Regulations.

The details of the Board Meetings held during the Financial Year 2019-2020 are as under:

S. No.	Date	Board Strength	No. of Directors Present
1	20th May 2019	6	5
2	30th July 2019	6	5
3	12th November 2019	6	3
4	11th February 2020	6	5

C. ATTENDANCE OF DIRECTORS AT BOARD MEETINGS HELD DURING THE FINANCIAL YEAR 2019-2020 AND AT THE 31st ANNUAL GENERAL MEETING (AGM)

Name of the Director	Attendance		Whether Attended last AGM held on 13th September 2019
	No. of Meetings held during the tenure	Meetings Attended	
Mr. Dara Phirozeshaw Mehta	4	4	Yes
Mr. Brijesh Arora	4	4	Yes
Mr. Christian Schlossnikl	4	2	No
Mr. Sanjeev Taneja	4	3	Yes
Ms. Meng Tang	4	1	No
Ms. Sonia Prashar	4	4	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 2020. A Declaration of Managing Director regarding compliance with Code of Conduct by Directors and Senior Management Personnel is attached as **Annexure-3.1.**

E. PREVENTION OF INSIDER TRADING CODE

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

F. INTER-SE RELATIONSHIP BETWEEN DIRECTORS

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

G. HOLDING OF DIRECTORS

As on the date of this report, the Directors including Non-Executive Directors of the Company do not hold any shares or convertible instruments in the Company.

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

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

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

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

The Board has identified the names of the Directors who possessed the identified core skills/expertise/ competencies. The details are as follows.

Key Skills/ expertise/ competencies	Name of Directors					
	Brijesh Arora	Christian Schlossnikl	Dara Phirozeshaw Mehta	Meng Tang	Sanjeev Taneja	Sonia Prashar
Appropriate Educational background	✓	✓	✓	✓	✓	✓
Good Communication	✓	✓	✓	✓	✓	✓
Integrity	✓	✓	✓	✓	✓	✓

Key Skills/ expertise/ competencies	Name of Directors					
	Brijesh Arora	Christian Schlossnikl	Dara Phirozeshaw Mehta	Meng Tang	Sanjeev Taneja	Sonia Prashar
Leadership skills	✓	✓	✓	✓	✓	✓
Management skills	✓	✓	✓	✓	✓	✓
Decision making ability	✓	✓	✓	✓	✓	✓
Analytical Skill	✓	✓	✓	✓	✓	✓
Strategic Thinking	✓	✓	✓	✓	✓	✓
Vision	✓	✓	✓	✓	✓	✓
Knowledge of German Language		✓			✓	✓
Technical knowledge and/ or technical experience		✓		✓	✓	
Accounting or related financial management expertise	✓		✓			

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

J. FAMILIARIZATION PROGRAME FOR INDEPENDENT DIRECTORS

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

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

3. COMMITTEES OF THE BOARD

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

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

Other Committees

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

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

The terms of reference of the Committees are reviewed by the Board as and when required. Matters requiring Board's attention/approval are placed before the Board after approval/recommendation from the respective Committee, wherever required. The minutes of the meetings of all aforesaid Committees constituted by the Board are placed before the Board for discussions/ noting. The role and composition of these Committees along-with terms of reference of these Committees and details of the Committee meetings held during the Financial Year 2019-2020 and other related information are provided below:

3.1 AUDIT COMMITTEE

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

A. Terms of reference as on 31st March 2020

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

The Audit Committee has the following powers:

1. To investigate any activity within its terms of reference.
2. To seek information from any employee and from the records of the Company.

3. To obtain outside legal or other professional advice.
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

The role of the Audit Committee includes the following:

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

20. Scrutiny of inter-corporate loans and investments
21. Valuation of undertakings or assets of the Company, wherever it is necessary.
22. The appointment, removal and terms of remuneration of the Chief Internal Auditor if any shall be subject to review by the Audit Committee.
23. To review and monitor management responsiveness to findings and recommendations of Internal Auditors.
24. Review the Company's Compliance with employee's benefits plans.
25. Oversee and review the Company policies regarding information technology and management information systems.
26. Evaluation of internal financial controls and risk management systems;

B. Composition

As on 31st March 2020, the Audit Committee has 3 (three) Members comprising of 2 (two) Non-Executive, Independent Directors and 1 (one) Non-Executive, Non-Independent Director.The Chairman of the Audit Committee is an Independent Director. The Composition of Audit Committee meets the requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations.

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

The composition of the Audit Committee as on 31st March 2020 is given below:

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

The Committee is headed by Mr. Dara P. Mehta, an Independent Director of the Company. The Chairman of the Audit Committee, Mr. Dara P. Mehta was present at the 31st Annual General Meeting of the Company held on 13th September 2019 to answer the queries of shareholders. The Managing Director and Chief Financial Officer are permanent invitees to the Audit Committee Meetings. The representatives of the Statutory Auditor are invited to attend the Audit Committee Meeting. The representatives of Internal Auditor are invited to attend the Audit Committee Meeting as and when required. The Company Secretary of the Company acts as Secretary to the Committee.

C. Meetings and Attendance

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

Details of Audit Committee Meetings held during the Financial Year 2019-2020

4 (Four) Audit Committee Meetings were held during the Financial Year ended 31st March 2020.The dates on which meetings were held including the details of presence of members are as follows:

S.No.	Date	Committee Strength	No. of Members Present
1	20th May 2019	3	3
2	30th July 2019	3	3
3	12th November 2019	3	2
4	11th February 2020	3	3

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

Attendance of members of Audit Committee Meetings held during the Financial Year 2019-2020:

Name of Members	Attendance	
	No. of Meetings held during the tenure	Meetings Attended
Mr. Dara P. Mehta, Chairman	4	4
Ms. Sonia Prashar	4	4
Mr. Sanjeev Taneja	4	3

3.2 NOMINATION AND REMUNERATION COMMITTEE

A. Terms of Reference as on 31st March 2020

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

B. Composition

As on 31st March 2020, the Nomination and Remuneration Committee comprised of 4 (four) Non-Executive Directors, out of which 2 (two) are Independent Directors. Ms. Sonia Prashar, Independent Director of the Company is the Chairman of the Nomination and Remuneration Committee. The Composition of Nomination and Remuneration Committee meets the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

The composition of the Nomination and Remuneration Committee as on 31st March 2020 is given below:

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

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

C. Meetings and Attendance

Two Nomination and Remuneration Committee Meetings were held during the Financial Year ended 31st March 2020. The date of the meeting, Committee strength and no. of members present in the meeting were as follows:

S.No.	Date	Committee Strength	No. of Members Present
1	20th May 2019	4	3
2	11th February 2020	4	4

Attendance at Nomination and Remuneration Committee Meeting held on 20th May 2019 and 11th February 2020:

Name of Members	Attendance	
	No. of Meetings held during the tenure	Meetings Attended
Ms. Sonia Prashar	2	2
Mr. Dara P. Mehta	2	2
Mr. Christian Schlossnikl	2	1
Mr.Sanjeev Taneja	2	2

D. Nomination and Remuneration Policy

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

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

a. **Executive Directors**

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

Mr. Brijesh Arora was appointed as Managing Director of the Company w.e.f. 4th August 2016 for a period of 5 years. The remuneration drawn by Mr. Brijesh Arora during the Financial Year 2019-2020 is as under:

(Amount in Rs.)

Salaries	Benefits	Performance linked Incentive/Bonus*	Retirement Benefits**	Perquisites***	Total
37,56,000	21,64,704	9,80,451	9,76,320	69,156	79,46,631

Note:

*At the beginning of the financial year 2019-20, the opening balance of the performance-linked incentive/bonus was Rs. 12,25,563. During the financial year, the Company has created a provision for Rs. 6,04,899. The company paid Rs. 9,80,451 during the financial year. Accordingly, the closing balance of provision as on 31st March 2020 was Rs. 8,50,011. The Board approved Rs. 658,567/- as performance linked incentive/ bonus to Mr. Brijesh Arora till 31st December 2019 which was paid to Mr. Brijesh Arora in April 2020.

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

(i) Sales & Strategy

(ii) Plant operations & productivity

(iii) Leadership, Building organization & Organizational values

(iv) Environment, Safety, Health & Quality (ESHQ)

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

*** This includes (i) use of Company owned and maintained car (ii) hard furnishing scheme as per rules of the Company (iii) Coverage under group personal accident insurance policy (iv) Coverage under group mediclaim family floater policy.

(i) The term of Mr. Brijesh Arora as Managing Director was for 5 years effective 4th August 2016. The Contract of appointment of Mr. Brijesh Arora as Managing Director can be terminated by either party by giving to the other party, without assigning any reasons whatsoever, three months' notice in writing of its intention to do so or equivalent amount of basic salary in lieu thereof.

(ii) Mr. Brijesh Arora shall be entitled to the following retirement benefits as per rules of the Company at the time of his retirement or cessation of service from the Company (a) Provident Fund (b) Superannuation (c) Gratuity (d) National Pension Scheme (e) encashment of unavailed leave or any other benefit as per the rules of the Company.

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

The Company does not have any pecuniary relationship with any of its Non-Executive Directors. The Non-Executive Directors do not hold any shares or convertible instruments in the Company as on 31st March 2020.

The Non-Executive Independent Directors are not paid any remuneration other than the sitting fee for attending meetings of the Board and the Committees thereof as approved by the Board. The sitting fees as determined by the Board are presently Rs. 40,000/-(Rupees Forty Thousand only) per meeting for attending meeting of the Board and Rs. 30,000/-(Rupees Thirty Thousand only) per meeting for attending meeting of the Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, which are within the limits prescribed under the Companies Act, 2013.

The Details of Sitting Fees paid to Non-Executive Independent Directors during the Financial Year 2019-2020 are as under:

Name of Directors	Sitting Fees (Rs.)				
	Board Meeting	Audit Committee Meeting	Stakeholders' Relationship Committee Meeting	Nomination and Remuneration Committee Meeting	Total
Mr. Dara P. Mehta	160,000	120,000	120,000	30,000	**430,000**
Ms. Sonia Prashar	160,000	120,000	N.A.	30,000	**310,000**

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

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

E. Employee Stock Option Scheme

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

F. Performance Evaluation Criteria for Independent Directors

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

3.3 STAKEHOLDERS' RELATIONSHIP COMMITTEE

A. Terms of Reference

The Stakeholders' Relationship Committee looks into redressal of the shareholders and investors complaints like transfer of shares, dematerialization, issue of duplicate shares and other matters relating to investors grievances and investors relations. It also considers and resolves the grievance of security holders of the Company.

B. Composition

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

As on 31st March 2020, the composition of the Stakeholders' Relationship Committee was as follows:

Name	Category	Designation
Mr. Dara P. Mehta	Non-Executive, Independent Director	Chairperson
Mr. Brijesh Arora	Executive Director	Member
Mr. Sanjeev Taneja	Non-Executive, Non-Independent Director	Member

C. Meetings and Attendance

4 (Four) Stakeholders' Relationship Committee Meetings were held during the Financial Year ended 31st March 2020. The date of the meeting, Committee strength and number of members present in the meeting were as follows:

S.No.	Date	Committee Strength	No. of Members Present
1	20th May 2019	3	3
2	30th July 2019	3	3
3	12th November 2019	3	2
4	11th February 2020	3	3

D. Attendance at Stakeholders' Relationship Committee Meetings held during the Financial Year 2019-2020:

Name of Members	Attendance	
	No. of Meetings held during the tenure	Meetings Attended
Mr. Dara P. Mehta	4	4
Mr. Brijesh Arora	4	4
Mr. Sanjeev Taneja	4	3

E. Name and Designation of Compliance Officer

- As on 31st March 2020 Mr. Brijesh Arora, Managing Director has additional responsibility as Compliance Officer

The Contact details of Compliance Officer are as follows:

Address	Telephone Number	Fax Number
" The Corenthum",Office # 2312, 3rd Floor, 2nd Lobe, Tower-A,A-41, Sector-62, Noida-201309, Uttar Pradesh, India	(0120) 4307910-12	(0120) 4165888

- Ms. Swati Surhatia, Company Secretary was appointed as Compliance Officer of the Company in place of Mr. Brijesh Arora w.e.f. 12th May, 2020.

F. Details of the Investor complaints received and redressed

The Company addresses all investor complaints and grievances expeditiously and sends replies/ resolve issues within the prescribed time. The status of total number of complaints received, resolved/pending during the Financial Year 2019-2020 is as follows:

Opening	Received during the F.Y. 2019-2020	Resolved during the F.Y. 2019-2020	Closing
0	7	7	0

Further, it was also confirmed that all the complaints resolved during the Financial Year 2019-2020 are resolved to the satisfaction of the shareholders.

3.4 OTHER COMMITTEES

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

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

Mr. Sarvesh Kumar Upadhyay had resigned as a Company Secretary of the Company with effect from the closing hours of 1st January 2020 and since he was one of the Members of the Complaints Committee, consequently ceased to be a Member of the Committee. Therefore, the Complaints Committee was reconstituted in the Board Meeting held on 11th February 2020.

As on 31st March 2020, the said Committee consists of the following members:

Name of Members	Designation
Ms. Shivangi Negi	Chairman
Mr. Sanjeev Taneja	Member
Ms. Poonam Jhingan	Member

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

a. number of complaints filed during the financial year : Nil

b. number of complaints disposed of during the financial year : N.A.

c. number of complaints pending as on end of the financial year : Nil

As no complaint was received during the year under said policy, the Complaints Committee did not meet any time during the Financial Year 2019-20.

3.4.2 SHARE TRANSFER COMMITTEE

A. Terms of Reference

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

B. Composition

As on 31st March 2020, the Committee was consisting the following members:

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

Mr. Sarvesh Kumar Upadhyay had resigned as a Company Secretary of the Company with effect from the closing hours of 1st January 2020 and since he was one of the Members of the Share Transfer Committee, consequently ceased to be a Member of the Committee. Therefore, the Share Transfer Committee was reconstituted in the Board Meeting held on 11th February 2020.

C. Meeting and attendance

The Committee met 23 times during the Financial Year 2019-20. The details are as under:

S.No.	Date	Committee Strength	No. of Members Present
1	10th April 2019	4	3
2	26th April 2019	4	3
3	14th May 2019	4	4

S.No.	Date	Committee Strength	No. of Members Present
4	17th May 2019	4	3
5	04th June 2019	4	2
6	17th June 2019	4	3
7	10th July 2019	4	4
8	10th July 2019	4	3
9	29th July 2019	4	3
10	1st August 2019	4	3
11	29th August 2019	4	3
12	9th September 2019	4	3
13	30th September 2019	4	2
14	15th October 2019	4	2
15	25th October 2019	4	3
16	11th November 2019	4	3
17	25th November 2019	4	3
18	04th December 2019	4	3
19	23rd December 2019	4	3
20	13th January 2020	3	2
21	24th January 2020	3	2
22	11th February 2020	3	2
23	24th February 2020	3	2

D. Attendance at Share Transfer Committee Meetings held during the Financial Year 2019-2020:

The Committee strength and no. of members present in the meeting during the Financial Year 2019-20 were as follows:

Name of Members	Attendance	
	No. of Meetings held during the tenure	Meetings Attended
Mr. Brijesh Arora (Managing Director) Chairman	23	23
Ms. Sonia Prashar (Director) Member	23	04
Ms. Shivangi Negi (Chief Financial Officer) Member	23	20
Mr. Sarvesh K.Upadhyay* (Company Secretary) Member	19	17
Ms. Swati Surhatia** (Company Secretary) Member	0	-

** Mr. Sarvesh K. Upadhyay, Company Secretary ceased to be a Member of the Committee with effect from the closing hours of 1st January 2020.*

*** Consequent to the appointment of Ms. Swati Surhatia as a Company Secretary of the Company with effect from 2nd March 2020, she has become a Member of the Share Transfer Committee with effect from 2nd March 2020.*

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

In addition, as stipulated by SEBI, a Reconciliation of Share Capital Audit Report by a Practicing Company Secretary for reconciliation of the Share Capital confirming that the total issued capital of the Company is in agreement with the total number of shares in physical form and total number of dematerialized shares held by NSDL and CDSL, is placed before the Board on a quarterly basis. A copy of the said Audit Report is also submitted to the Stock Exchange within prescribed time.

3.4.3 COMMITTEE FOR DETERMINING MATERIALITY OF AN EVENT OR INFORMATION

Pursuant to Regulation 30 of the Listing Regulations, the Board has constituted a Committee for determining materiality of an event or information and a policy in this regard was also framed by the Board. Meeting of this Committee is event based and during the Financial Year 2019-20 no meeting was required to be held.

As on 31st March 2020, the committee was consisting the following members:

Name of Members	Designation
Mr. Brijesh Arora, Managing Director	Chairman
Ms. Shivangi Negi, Chief Financial Officer	Member
*Ms. Swati Surhatia, Company Secretary	Member

** Mr. Sarvesh K. Upadhyay, Company Secretary ceased to be a Member of the Committee with effect from the closing hours of 1st January 2020. Ms. Swati Surhatia was appointed as a Company Secretary of the Company with effect from 2nd March 2020, she has become a Member of the above Committee with effect from 2nd March 2020.*

4. SUBSIDIARY

The Company does not have any subsidiary.

5. GENERAL BODY MEETINGS

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

General Meeting	Day & Date	Time	Location (Registered Office)	Particulars of Special Resolution passed
31st AGM	Friday, 13th Sept. 2019	11:00 a.m.	A-5, UPSIDC Industrial Estate, Bhartiagram, Gajraula-244223, Uttar Pradesh	Approval of remuneration of Mr. Brijesh Arora- Managing Director (DIN: 00952523)
30th AGM	Tuesday, 24th July 2018	11:00 a.m.	A-5, UPSIDC Industrial Estate, Bhartiagram, Gajraula-244223, Uttar Pradesh	Re-appointment of Mr. Dara Phirozeshaw Mehta as an Independent Director of the Company to hold office for a 2nd term of 5 (Five) consecutive years with effect from 1st April 2019.
29thAGM	Thursday, 5th Sept. 2017	10:00 a.m.	A-5, UPSIDC Industrial Estate, Bhartiagram, Gajraula-244223, Uttar Pradesh	There was no special resolution passed in the 29th AGM of the Company.

5.1 Disclosures related to Postal Ballot

During the Financial year ended 31st March 2020 the Company has not passed any Resolution through Postal Ballot.

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

Procedure of Postal ballot

Resolutions, if required, shall be passed by Postal Ballot during the year ending on 31st March 2021, as per the prescribed procedure under the Companies Act, 2013 and Listing Regulations.

6. MEANS OF COMMUNICATION

Quarterly Results:The quarterly results of the Company are announced within 45 (forty five) days of completion of each quarter. Audited Annual Results are announced within 60 (sixty) days from the end of the Financial Year. The Company regularly intimates unaudited as well as audited financial results to the stock exchange, immediately after these are approved by the Board. The quarterly and annual financial results are normally published in "Business Standard" Newspaper - All India Edition (English Language) and "Business Standard" (Vernacular Language). The Company also ensures that financial results are promptly and prominently displayed on Company's Website www.insilcoindia.com for the information of all stakeholders. All the important events and official news releases of the Company including requirements of Regulation 46 of Listing Regulations are also disclosed on the website of the Company for ready reference of the Investors.

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

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

The official news releases and presentation made to institutional investors/analysts, if any, whenever made by the Company, are also displayed at the following web link :http://www.insilcoindia.com/Investors.htm.

7. MANAGEMENT

Management discussion and analysis of results of operations and financial condition is included in the Annual Report for the Financial Year 2019-2020 and this report contains all the applicable information specified under Listing Regulations. The disclosures have been made by all Senior Management Personnel for the Financial Year 2019-2020 regarding all material, financial and commercial transactions where they have a personal interest, which may have a potential conflict with interest of the Company at large, if any.

8. SHAREHOLDERS INFORMATION

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

9. CEO/CFO CERTIFICATION

The Certificate required under Regulation 17 of the Listing Regulations duly signed by Managing Director and Chief Financial Officer has been placed before the Board in its the meeting held on 23rd June 2020. Copy of the same is attached as **Annexure-3.2** to this report.

10. GENERAL SHAREHOLDERS INFORMATION

10.1 Particulars of ensuing Annual General Meeting

Date	13th August 2020
Time	2.30 P.M.
Day	Thursday
Venue	Through Video Conference
Financial Year	The Company follows the period of 1st April to 31st March as the Financial Year.
Book Closure dates	7th August 2020 to 13th August 2020
Dividend Payment Dates	No dividend has been recommended for the Financial Year 2019-20.

10.2 Listing on Stock Exchange (With Stock Code)

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

10.3 Listing Fee

Annual Listing fee for the year 2019-2020 has been paid to BSE Limited.

10.4 ISIN No. in NSDL & CDSL

INE901A01011

10.5 Stock Market Data

The Monthly High/Low stock prices of Company Equity Shares at BSE Sensex during Financial Year 2019-2020 are given below:

Month	BSE Limited			
	Insilco Share Price		BSE Sensex	
	High (Rs.)	Low (Rs.)	High	Low
Apr 2019	20.00	17.55	39,487.45	38,460.25
May 2019	18.40	15.70	40,124.96	36,956.10
Jun 2019	17.85	14.65	40,312.07	38,870.96
Jul 2019	17.25	12.95	40,032.41	37,128.26
Aug 2019	17.00	13.71	37,807.55	36,102.35

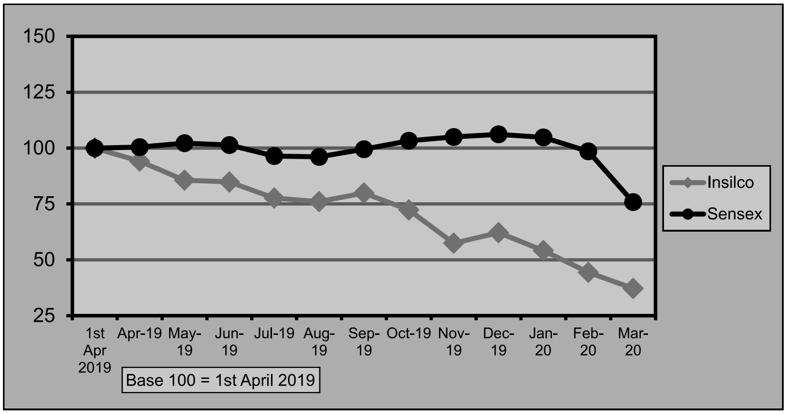
Sep 2019	16.00	14.00	39,441.12	35,987.80
Oct 2019	15.20	12.75	40,392.22	37,415.83
Nov 2019	14.00	10.55	41,163.79	40,014.23
Dec 2019	12.97	10.25	41,809.96	40,135.37
Jan 2020	12.15	9.03	42,273.87	40,476.55
Feb 2020	11.00	7.55	41,709.30	38,219.97
Mar 2020	9.64	5.84	39,083.17	25,638.90

Source: www.bseindia.com

10.6 Stock Performance in comparison to BSE Sensex

The performance of the Company's Closing Share price relative to the BSE Sensex for the year 2019-2020 is given in the chart below:

INSILCO Closing Price vs. BSE Sensex Closing April 2019 to March 2020



10.7 Registrar and Transfer Agent

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

10.8 Share Transfer System

The application for Transfer, Transmission and issue of duplicate shares are received at the office of Registrar and Share Transfer Agent, MCS Share Transfer Agent Limited or by Company at its registered office. If the Transfers & Transmission documents are in order, the Transfers & Transmission of shares in physical form is processed within prescribed time from date of receipt of documents complete in all respect.

10.9 Dematerialisation of Shares & Liquidity

The shares of the Company are in compulsory dematerialized segment and are available for trading system of both NSDL and CDSL. The details of the no. of shares held in Dematerialized form and physical mode as on 31st March 2020 are as follows:

Name	Physical		Dematerialized		Total	
	No. of Shares	% to Paid up capital	No. of Shares	% to Paid up capital	No. of Shares	% to Paid up capital
Evonik Operations GmbH*	-	-	45,853,315	73.11	45,853,315	73.11
Others	2,453,607	3.91	14,408,078	22.98	16,861,685	26.89
Total	**2,453,607**	**3.91**	**60,261,393**	**96.09**	**62,715,000**	**100.00**

*The name of Evonik Degussa GmbH has been changed to Evonik Operations GmbH.

However, the change of name in Dematerialized account is in process.

10.10 As on 31st March 2020, the Distribution of Shareholding of the Company was as follows:

Range of No. of Equity Shares held	Total No. of Shares held	% to Total	No. of folios	% to Total
1 to 500	4,567,073	7.28	34,663	91.11
501 to 1000	1,444,344	2.30	1,750	4.59
1001 to 2000	1,183,865	1.88	767	2.01
2001 to 3000	658,139	1.04	255	0.67
3001 to 4000	417,157	0.66	114	0.29
4001 to 5000	636,469	1.01	133	0.34
5001 to 10000	1,373,379	2.18	187	0.49
10001 to 50000	3,118,780	4.97	144	0.37
50001 to 100000	1,525,134	2.43	21	0.05
100001 and above	47,790,660	76.20	10	0.02
Total	**62,715,000**	**100.00**	**38,044**	**100.00**

10.11 Shareholding Pattern of the Company as on 31st March 2020:

Category	No. of Shares	% to total
Promoters - Evonik Operations GmbH	45,853,315	73.11
Residents (Individual)	14,449,725	23.04
Financial Institutions and Banks	23,680	0.04
Non-Resident Individuals/ OCBs	273,019	0.44
Indian Corporate Bodies/ Trusts	2,094,201	3.34
Mutual Funds/ Insurance Companies	21,060	0.03
Total	**62,715,000**	**100.00**

*The name of Evonik Degussa GmbH has been changed to Evonik Operations GmbH.

However, the change of name in Dematerialized account is in process.

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

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

10.13 Commodity price risk or foreign exchange risk and hedging activities

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

10.14 Plant Location

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

10.15 Credit Rating

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

10.16 Address for Correspondence

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

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

Following are the contact numbers:
Phone Numbers : (011) 41406149-52
Fax number : (011) 41709881
Email Address : helpdeskdelhi@mcsregistrars.com

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

"The Corenthum", Office # 2312 , 3rd Floor,
2nd Lobe, Tower-A, A-41, Sector-62,
Noida-201309, Uttar Pradesh, India

Telephone	:	(0120) 4307910-12
Fax No.	:	(0120) 4165888
Email address	:	insilco@evonik.com
Website	:	www.insilcoindia.com

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

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

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

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

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

13. OTHER DISCLOSURES

- There were no materially significant related party transactions of the Company, which have potential conflict with the interest of the Company at large. Pursuant to the provisions of the Companies Act, 2013 and applicable Indian Accounting Standards, the related party transactions during the Financial Year 2019-2020 have been disclosed in Note no. 25 of Notes to Accounts to Financial Statements

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

  The Company has adopted a Whistle Blower Policy through which vigil mechanism of the Company has been laid down. The Company affirms that no personnel have been denied access to the Audit Committee on any issue. Such policy is available on the website of the Company at the following link: https://www.insilcoindia.com/Pdf/Whistle%20Blower%20Policy.pdf
- The Company has complied with all the mandatory requirements of the Listing Regulations. The Company has not adopted discretionary requirement of the Listing Regulations.
- As the Company has no subsidiary, the Board has not framed any policy for determining material subsidiary.
- The policy on dealing with Related Party Transactions is available at the following web link of the Company:

  https://www.insilcoindia.com/Pdf/RELATED%20PARTY%20TRANSACTION%20POLICY.pdf
- The Company has not obtained any public funding during the Financial Year ended 31st March 2020.
- There is no event where board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year.
- Total fees for all services paid by the listed entity to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.
- The Company don't have any demat suspense account/unclaimed suspense account, as the same is not required.

For & on behalf of the Board of
Insilco Limited

Sd/-	**Sd/-**
Sonia Prashar	**Brijesh Arora**
Director	**Managing Director**
DIN : 06477222	**DIN : 00952523**

Place: **New Delhi**
Date : **23rd June 2020**

Annexure-3.1

DECLARATION ON CODE OF CONDUCT BY MANAGING DIRECTOR

I, Brijesh Arora, Managing Director of Insilco Limited hereby confirm and declare that to the best of my knowledge and belief all Board Members and Senior Management Personnel have affirmed compliance with the Company's Code of Conduct during the Financial Year ended 31st March 2020.

	Sd/-
Place : New Delhi	**Brijesh Arora**
Date : 17th April 2020	**Managing Director**

Annexure-3.2

CEO/CFO CERTIFICATION

To,
The Board of Directors
Insilco Limited

CHIEF EXECUTIVE OFFICER (CEO) & CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION FOR THE FINANCIAL YEAR 2019-2020

We hereby certify to the Board that:

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

For Insilco Limited

Sd/-	**Sd/-**
Brijesh Arora	**Shivangi Negi**
Managing Director	**Chief Financial Officer**

Date : 23rd June 2020

Annexure-3.3

Corporate Governance Certificate

To
The Members
Insilco Limited

We have examined the compliance of conditions of Corporate Governance by **Insilco Limited** ("the Company"), for the financial year ended March 31, 2020, as stipulated under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated under Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and Para C, D and E of Schedule V to the Listing Regulations.

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

For Sanjay Grover & Associates
Company Secretaries
Firm Registration No.: P2001DE052900

Sd/-
Devesh Kumar Vasisht
Partner
CP No.: 13700
UDIN:F008488B000168021

Date: 20th April, 2020
Place: New Delhi

Annexure-3.4

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of INSILCO LIMITED

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

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ended **31st March 2020** have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or by any other such Statutory Authority.

S. No.	Name of the Director	DIN	Date of appointment in the Company
1.	Mr. Dara Phirozeshaw Mehta	00041164	31/12/2005
2.	Mr. Brijesh Arora	00952523	01/03/2015
3.	Ms. Sonia Prashar	06477222	04/08/2016
4.	Ms. Meng Tang	07012101	13/11/2014
5.	Mr. Christian Schlossnikl	07557639	04/08/2016
6.	Mr. Sanjeev Taneja	08055630	01/02/2018

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

For Nityanand Singh & Co.
Company Secretaries

Sd/-
Nityanand Singh (Prop.)
FCS No. 2668/ CP No. 2388
UDIN:F002668B000287095

Date: 27th May 2020
Place: New Delhi

Annexure – 4

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Overall Review

Production and sales during the year were 8,314 MT and 9,391 MT as compared to 16,946 MT and 16,537 MT respectively in the previous year. The plant operations have been suspended from 26th October 2019 onwards after refusal of renewal of Consent to operate by UPPCB. The Company achieved the sales turnover of Rs. 577 million during the year as compared to Rs. 951 million in the previous year.

The Company has a world class manufacturing plant at Gajraula based on technology from its parent Company Evonik Operations GmbH (formerly known as Evonik Degussa GmbH), Germany. This gives us an edge over the competitors as we can offer high quality and innovative products to customers. However, our costs are higher than other local players as (i) It is dependent on High Speed Diesel (HSD) as fuel which is comparatively expensive and (ii) It is incurring significant expense in treating the effluent before discharging it. The Board of directors had approved the installation of "Propane-LPG" to reduce energy cost. However, the company cannot install this "Propane-LPG" presently as the plant operations have been suspended due to refusal of "Consent to Operate" by UPPCB.

Industry Structure and Developments

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

Opportunity, Threats, Outlook, Risks and Concerns

Evonik Operations GmbH (formerly known as Evonik Degussa GmbH), Germany is providing us all necessary technical and marketing support to promote our higher value added product portfolio. Your Company continues to be amongst the leading manufacturers of Precipitated Silica in India. We consistently supply international quality products and also provide our customers with technical assistance for application solutions with the technical back-up from Evonik Operations GmbH (formerly known as Evonik Degussa GmbH), Germany. Our strengths include-

- Capability to introduce new and high quality products.
- Products manufactured to International standards with consistent quality.
- Access to the International Sales & Marketing Network of our parent Company, Evonik Operations GmbH (formerly known as Evonik Degussa GmbH), Germany.
- Local technical assistance to our valued customers from the Application Technology Lab operated by our parent Company as part of its international network.
- Environment friendly production site.
- Commitment to a high standard code of conduct and ethics.

Our operations in general are susceptible to possible changes in fiscal, monetary, economic policies of the Government especially with regard to environment regulations, fuel, power and freight costs. The major challenge for our industry is that it is energy intensive and any fluctuation in energy prices has a significant impact on our performance, e.g. the change in Government policy to remove subsidies on diesel had seriously impacted our profitability and it became an issue of concern.

The plant operations of the company have been suspended since 26th October 2019 due to refusal of "Consent to Operate" by Uttar Pradesh Pollution Control Board (UPPCB). The Company has filed appeal to the Special Secretary, Department of Environment, Forest and Climate, Uttar Pradesh against the orders of UPPCB. However, the hearing is getting delayed due to nation-wide lockdown as a result of COVID-19.

The risks of fire, flood and accident are common risks attached to the working of any plant/Company. The Management has taken reasonable steps to counter the risk by maintaining the industrial all-risk insurance policy for its manufacturing facility as per guidance of our parent Company.

The Company has also following risks:

1. Risk of HSD (Diesel) prices going up substantially.
2. Loss of Market Share if our selling prices are significantly higher than competitors.
3. Environmental Risk if more stringent norms are introduced by government for chemical industries near the Ganga River.
4. Risk of not granting Consent to operate by pollution authorities or appellate authorities

Above risks have been explained in detail at clause no. 14 of the Directors Report.

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.

Outlook

The future of the company will depend upon obtaining of the valid "Consent to operate" from UPPCB and valid NOC from Central Ground Water Authority (CGWA). The Company is trying its best to obtain "Consent to Operate" to restart its operations. The Company has engaged one of the renowned lawyers to advise it and represent before the Special Secretary, Department of Environment, Forest and Climate, Uttar Pradesh. The company had No Objection Certificate (NOC) from CGWA for extraction of ground water for Industrial, domestic and green belt use which was valid until 7th December 2019. The company has already obtained the renewal of this NOC for domestic and green belt use. However, there is a pre-requirement generally to have valid "Consent to Operate" for issue of NOC by CGWA for Industrial use.

The company has lost all its customer base as the plant operations have been suspended since 26th October 2019 and thereafter the finished goods inventory had also exhausted. It will be a challenge to regain the lost customers after restart of the plant operations considering competitive market situation.

The Company continues to incur cash loss of over Rs 10 Million per month, since suspension of its operations on October 26,2019. In the event, the company is not able to obtain consent to operate, it will have no option but to close its operations at the current facility. Moreover, the operations can become commercially viable only after the implementation of LPG project. The relocation of the manufacturing facility to another site is not financially viable, given the cost of relocation and intense competition in the market place.

Internal Control Systems and their adequacy

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

- Assets are safeguarded and protected against loss from unauthorized use or disposition.
- Transactions are authorized, recorded and reported properly.
- Accounting records are properly maintained and financial statements are reliable.
- Statutory requirements are duly complied.

The key elements of internal control system are as follows:

- System based automated controls to the extent possible so as to minimize chances of error and fraud.
- Well defined authorization system and Periodical review of the controls with respect to IT systems and authorization to ensure that users have access only to the required transactions.
- Clearly defined organization structure.
- Revenue and capital budgeting monitoring system.
- Management control through monthly MIS system.
- Whistle Blower Mechanism.
- Policies and procedures adopted by the Company for ensuring orderly and efficient conduct.
- Adherence to Company's policy.
- Prevention and detection of fraud and errors, if any.
- The accuracy and completeness of the accounting records.
- Timely preparation of reliable financial information.

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. Internal auditors conduct audit as per the audit charter approved by Audit committee. Internal auditors give presentations to Audit Committee. The findings along with management response are shared with Audit Committee. The Audit Committee periodically reviews the findings and recommendations of the auditors and the measures taken by management to ensure that adequate Internal Financial Control systems exist.

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.

The company is committed to comply with all the laws and regulations as applicable from time to time. The Company has implemented online compliance management system for legal and statutory compliance management. The company's compliance status is periodically updated to Board of Directors.

Digitalization

The company has taken the initiatives for regular monitoring of IT controls and IT infrastructure such as:

- e Desk client
- AVTS WAN solution
- Plant maintenance software
- Legal compliance management software
- Business continuity plan and Disaster recovery systems
- Alarm for temperature / intrusion from rittal rack housing SAP servers.
- Review of Segregation of Duties (SOD) conflicts and initiated the process of monitoring it through Evonik global GRC mechanism.
- Smoke detectors in critical areas at plant to improve protection from fire.
- Digital Control System for various areas of operations to improve consistency in product quality.

Risk Management

Risk Management is the identification and measurement of risks, which can affect the organization and implementation of strategy for monitoring, controlling and mitigation of these risks by systematic actions in a planned manner. The Board of the Company monitor and review the risk management activities of the Company on regular basis. There is also a Sub-Committee of the Company on risk management, which report to the Board on matters related to Risk Management of the Company. The framework for risk assessment and minimization thereto is being evaluated from time to time and the Company takes adequate measures for mitigating such assessed risk.

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

Industrial Relations remained cordial and the annual wage settlement was concluded peacefully during the year.

Insilco continued the high attention to the adherence by employees to our Code of Conduct. We are striving to build not only a competent workforce but also highly engaged and committed employees.

Most of our employees have continued their long-term association with the company. During the year 2019-20, 1 employee was awarded long service award on completion of 20 years of service and 1 employee was awarded long service award on completion of 10 years of service. There were 108 employees as on 31st March 2020 on the rolls of the Company excluding trainees. Out of 108 employees, 74 employees (68.5%) have completed 20 years of service and 8 employees (7.4%) have completed 10 years of service with the Company.

We are also evaluating our existing processes and policies periodically and upgrading our policies and procedures, wherever required. We have provided several internal and external trainings on different topics during the year to the employees to update their knowledge, skills and behaviour. We review and evaluate the need for replacement for each vacant position. Our focus during the year was again in building competencies of human resources. These organizational changes are implemented in line with the business situation and strategy. We contribute to the growth and development of the employees and offer them the opportunity to develop new job skills and obtain wider exposures. This has also resulted in reduction in Head Count and better efficiency during the year.

During the year, the company organized the training sessions for middle management team on the topics like Evonik corporate values, Code of Conduct, Performance management System and other safety topics in plant.

During the year, company has awarded 6 suggestions under our ongoing Suggestion Scheme for technicians. This is an effort to inculcate the spirit of participation and creativity on shop floor employees.

For employees' engagement, regular social and sporting activities are being organized at the colony campus under the aegis of the Employees Social Club. Various regional and national festivals are being celebrated in the campus including sports day. These activities involve the employees and their families and are a good forum for overall development of community living.

The Company is also continuing with a quarterly in-house newsletter covering all the major activities of the Company, its employees and their families to strengthen the communication among the employees and their families

Prohibition of Insider Trading

The Company has implemented a policy prohibiting Insider trading in conformity with applicable regulations of the Securities and Exchange Board of India. Necessary procedures have been laid down for prohibition of Insider Trading. The policy and the procedures have been communicated to directors and the employees. The trading window closures are intimated to Stock Exchange, all employees and directors in advance as per policy of the Company.

Environment, Safety, Health and Quality (ESHQ)

We are committed to conserve and protect the environment through continuous support and participation of all employees. Our plant at Gajraula is certified under the Environment Management Standard ISO 14001-2015 and Quality Management Standard ISO 9001-2015. We have renewed HALAL and KOSHER certificates during the year for Food Safety Management System. Apart from this, we are also HACCP and FSSAI certified Company for the Food Safety Management System.

We are following global best EHS practices. The company is continuously investing in systems for treatment of effluents and emission. We have done improvements during the year in the areas of reduction in power consumption.

To adhere the ESHQ Policy, Company focused on pollution abatement, resource optimization and waste minimization, which leads to sustainable development. ESHQ is a core value of the Company. The Company is committed to continuously improve its ESHQ performance by targeting Zero Harm through world class safety practices. For exclusive oversight on ESHQ aspect, ESHQ implications are properly addressed in all new strategic initiatives, budgets, audit actions and improvement plans.

The senior leadership plays a vital role in encouraging positive attitudes towards safety and help in creating an environment that fosters safety culture, by establishing clear and transparent ESHQ Policy. The company is following strict incident reporting system. During the year, there have been displayed hazardous signs wherever required in the plant.

The Company gives priority and attention to the health of its employees and trains the employees to work as per prescribed procedures designed to meet all ESHQ requirements.

The plant operations of the company have been suspended since 26th October 2019 due to refusal of "Consent to Operate" by Uttar Pradesh Pollution Control Board (UPPCB). The Company has filed appeal to the Special Secretary, Department of Environment, Forest and Climate, Uttar Pradesh against the orders of UPPCB. The matter has not been heard until the date of this report as the hearing is getting delayed due to nation-wide lockdown and shift in government priority to handle COVID-19.

We take our responsibility to the field of safety particularly seriously. Our objective is to protect our employees, local residents and the environment against any potential negative impact of our activities. The Company has set up elaborate safety system to ensure a proper safe work environment. We are taking proactive measures and give emphasis on prevention of any possible accident. We are pleased to report that Financial Year 2019-20 is a Zero man-day loss accident year. Insilco's ESHQ commitment is to continue as "zero incidents site" in all activities and operations.

We continue to endeavor the same 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.
- Believing in proactive measures to ensure workmen safety.

To achieve this, we involve all employees, contractors, suppliers and sub-contractors in ESHQ initiatives through brainstorming, inspection, detection and correction. During the year 2019-2020, we also performed various work/ activities including mainly:

- Celebration of World Environment Day
- National Safety Week Celebration
- Plantation of approx. 400 Trees
- Regular Safety Trainings and Safety Video display to employees
- Display of safety visual boards at various sections of the plant.
- Annual Medical Health Check-ups of all the employees.
- Display of List of Personal Protection Equipment's (PPE's) required at each operational location clearly at all sections of plant.
- Steps taken to reduce dust generation and better hygiene in plant.
- Invested in processes and practices to enhance operational safety and to reduce chances of accident.

Social Responsibility

This year also, Insilco participated in Tigri Mela occasion at Gajraula during 6th November 2019 to 12th November 2019 and arranged 75 temporary toilets at the mela site in association of other industries. This was to support hygienic sanitation for millions of devotees and to avoid Open Defecation near bank of river Ganga. The activity was a gesture towards national campaign – "Swachh Bharat Abhiyan (Clean India Mission)".

Discussion on financial performance with respect to operational performance

The Company adopted Indian Accounting Standards (IND AS) from April 1, 2017 for the first time with a transition date of April 1, 2016. Accordingly, these financials have been prepared in accordance with Indian Accounting Standards

A. <u>Financial Position</u>

1. Non-Current Assets:

(i) Property, Plant and Equipment (PPE) & Other Intangible Assets

Additions of Rs. 28.62 Million were made to PPE during the current year and this includes Rs.16.08 Million towards Plant and Machinery, Rs.10.90 Million towards Building and Rs 1.6 Million towards Computers, Office Equipment & Electrical Installation. There is no addition to Intangible assets during the year.

(ii) Capital work-in-progress

The capital work-in-progress is of Rs. 5.17 Million this represents advances paid towards acquisition of PPE and the cost of assets not put to use. Capital work-in-progress mainly comprises of expenditure towards the Propane LPG Project at Gajraula plant.

(iii) Right-of-use assets

Pursuant to adoption of Ind AS 116, leased assets are presented as a separate line item in the Balance Sheet . Accordingly, leasehold land and leasehold office has been recognized as Right-of-use assets. The value of Right of use assets is Rs 14.51 Million as on March 31, 2020.

(iv) Investment properties

As per requirement of IND AS-40, freehold land has been classified as investment property. The carrying amount of investment property is Rs 0.10 Million and fair value as on March 31, 2020 is Rs. 2.1 Million.

(v) Financial Assets

Loans and other financial assets amount to Rs. 8.60 Million as of March 31, 2020 as compared to Rs. 8.54 Million as on March 31, 2019. It includes Rs. 7.16 Million towards security deposit, Rs 1.0 Million towards long term deposits with bank.

(vi) Other Non-Current Assets

Other non-current assets amounts to Rs 0.45 Million as on March 31, 2020 as compared to 2.51 Million as on March 31, 2019. It includes deferred employee cost and balance with Govt. authorities.

(vii) Income Tax Assets (Net)

It represents advance income taxes paid net of provisions.

2. Current Assets

(i) Inventories

Inventories amount to Rs. 26.70 Million as on March 31, 2020 as compared to Rs. 105.50 Million as on March 31, 2019. The inventories have been written down to net realizable value by Rs. 24.47 Million and has been recognized as expense and included in changes in value of inventory of work-in-progress and finished goods, cost of material consumed and other expenses in statement of profit and loss.

(ii) Financial Assets

Investments

Investments of Rs. 182.57 Million represents the fair value of investments in Mutual Funds as on March 31, 2020 as compared to fair value of Rs. 193.29 Million as on March 31, 2019. All investments have been classified as current investments. Investments as on March 31, 2020 represent investments in Mutual funds having exposure to Government securities which are considered as safest securities with low risk of default.

Trade Receivables

Trade Receivables amount to Rs. 3.12 Million (net of provisions of Rs. 1.70 Million) as of March 31, 2020 as compared to Rs. 165.77 Million (net of provisions of Rs. 0.24 Million) as on March 31, 2019. These trade receivables 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 trade receivables when the counterparty fails to make contractual payments within 180 days when they fall due.

Cash and Cash Equivalents and Other Bank Balances

As at March 31, 2020, the Company had a Cash and Cash Equivalents and Other Bank Balances of Rs. 399.26 Million. This represents 44.87% of total assets and 69.14% of the revenue of the current year.

Loan and Other Financial Assets

Loan and Other Financial Assets amount to Rs. 10.65 Million as on March 31, 2020 as compared to Rs. 14.63 Million as on March 31, 2019. It includes Rs. 8.53 Million towards Interest accrued on fixed deposits.

(iii) Other Current Assets

Other current assets amount to Rs 19.45 Million as compared to Rs.7.07 Million as on March 31, 2019.

3. Equity Share Capital

The Company has one class of shares - equity shares of par value of Rs. 10/- each. The authorized share capital of the Company is Rs. 657.15 Million divided into 65,715,000 equity shares of Rs. 10/- each. The issued, subscribed and paid-up share capital stood at Rs. 627.15 Million as on year ended March 31, 2020.

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

4. Other equity

Reserves and Surplus

The balance retained in the Profit & Loss Account as on March 31, 2020 is Rs. 214.63 Million as compared to Rs. 322.22 Million as on March 31, 2019. The book value per share at the end of the year is Rs.13.42 as compared to Rs.15.14 at the end of previous year.

5. Non-Current Liabilities

Financial Liabilities

(i) Lease Liabilities

Lease liabilities as at March 31, 2020 is Rs. 1.74 Million. This includes leasehold land of Gajraula and leasehold office at Noida.

Employee benefit obligations

Employee benefit obligations as at the year-end are Rs. 1.02 Million as compared to Rs. 0.99 Million as on March 31, 2019. This represents liabilities provided for Long Service Award.

Deferred Tax Liabilities

Deferred tax liabilities as at March 31, 2020 is Rs. 1.95 Million.

6. Current Liabilities

The Company owes an amount of Rs.43.35 Million as compared to Rs. 100.07 Million as on March 31, 2019. This represents 6.15% of total expenditure for the year ended March 31, 2020 as compared to 9.73% of previous year. These liabilities include the following:

Particulars	As of March 31, 2020 (Rs. in Million)
Lease liabilities	0.91
Trade Payables	18.39
Other Financial Liabilities	
Employee related liabilities	3.48
Capital creditors	0.03
Security deposits from customers and Vendors	1.92

Particulars	As of March 31, 2020 (Rs. in Million)
Employee benefit obligations	
Compensated absences	7.14
Long service award	0.36
Gratuity	6.26
Provisions	0.16
Other Current Liabilities:	
Advances from customers	0.16
Statutory dues	2.04
Advance received against disposal of property plant and equipment	2.50
Total	**43.35**

B. Results of Operations

1. Turnover

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

(Rs. in Million)

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
Revenue from Operations	577	951

2. Net Profit/Loss After Tax

The total comprehensive loss for the year ended March 31, 2020 is Rs. 107.59 Million as compared to loss of Rs. 62.81 Million in previous year.

3. Earnings Per Share

The basic EPS during the year is Rs. (1.67) per share as against Rs. (0.96) per share in the previous year.

4. Raw Material Consumption

The raw material consumption for current year is Rs. 227.19 Million as compared to Rs. 415.14 Million for previous year. This includes Rs. 16.03 Million on account of write down of inventories to net realizable value. The Company continued to follow the procurement model of cullet instead of producing in house cullet.

5. Changes in inventories of Finished Goods & Work in progress

The decrease in inventory of finished goods & work in progress during the year is Rs. 68.51 Million. This includes Rs. 5.82 Million on account of write down of inventories to net realizable value.

6. Employee Benefits Expense

The employees' remuneration and benefits for the year ended March 31, 2020 are Rs.86.35 Million as compared to Rs. 84.99 Million for the year ended March 31, 2019. The Company has 108 permanent employees as on March 31, 2020 on its rolls.

7. Depreciation and Amortization Expense

There has been provided a sum of Rs. 28.28 Million towards depreciation for the year ended March 31, 2020.

8. Other Expenses

Other expenses for the year ended March 31, 2020 are Rs. 323.30 Million as compared to Rs. 551.85 Million for the year ended March 31, 2019. The other expenses includes power & fuel expenses, repairs & maintenance expenses, freight & forwarding charges, maintenance charges to UPSIDC, packing expenses, rent, insurance, selling & marketing expenses, travelling and conveyance expenses, etc.

FINANCIAL DATA FOR THE YEAR ENDED MARCH 31, 2020

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

Description	March 2020	March 2019	March 2018	March 2017*	March 2016
Financial Performance					
Sales	577.47	951.47	888.04	957.85	803.48
Less: Excise duty	-	-	(22.17)	(91.43)	(74.71)
Turnover (net of excise duty)	577.47	951.47	865.87	866.42	728.77
Profit before Interest, Investment Income, Depreciation, Exceptional Items and Tax	(122.19)	(70.89)	(14.49)	14.84	9.38
Other Income					
i) Income from Interest & Investment	47.81	37.61	34.25	62.90	25.84
ii) Other income (other than income from interest and Investment)	5.70	2.87	5.52	4.00	2.01
Interest Expenses	(0.12)	(3.24)	(0.18)	(0.10)	(3.12)
Depreciation and Amortization	(28.28)	(24.64)	(19.16)	(17.17)	(13.29)
Exceptional Items	-	-	-	-	-
Profit/(Loss) Before tax	(102.78)	(61.17)	0.42	56.31	18.81
Taxation charge / (Release)	1.95	(0.77)	(3.22)	7.24	4.04
Profit/(Loss) after Tax	(104.73)	(60.41)	3.64	49.07	14.77
Other comprehensive income	(2.86)	(2.41)	1.65	(2.63)	0.00
Total comprehensive income for the year	(107.59)	(62.82)	5.29	46.44	14.77
Balance Sheet					
Share Capital	627.15	627.15	627.15	627.15	627.15
Reserves and Surpluses (including other reserves)	214.63	322.22	385.03	379.33	281.26
Net Worth	841.78	949.37	1012.18	1006.48	908.41
Non-Current Liabilities	4.71	1.09	1.67	1.54	0.67
Non-Current Assets	248.10	258.75	228.24	201.31	206.08
Net Current Assets	598.40	691.71	785.61	806.70	703.00
Total Assets	889.85	1050.53	1097.65	1069.17	972.67
Per Share Data					
Basic EPS (Rs.)	(1.64)	(0.96)	0.06	0.78	0.24
Book Value per share (Rs.)	13.42	15.14	16.14	16.05	14.48
Other Information					
Number of Shareholders	37595	38124	39360	40521	41405

* Figures from 2017 onwards are stated as per Ind AS

RATIO ANALYSIS FOR THE YEAR ENDED MARCH 31, 2020

Description	March 2020	March 2019	March 2018	March 2017	March 2016
Ratios-Financial Performance					
Gross Profit/ Total Sales [%]	16%	18%	23%	22%	22%
Profit /(Loss) Before Interest, Investment Income, Depreciation, Exceptional Item & Tax/ Total Sales [%]	-21%	-7%	-2%	2%	1%
Profit/(Loss) Before Interest, Investment Income, Depreciation & Tax/Total Sales [%]	-21%	-7%	-2%	2%	1%
Ratios-Balance Sheet					
Debt Equity Ratio (Long Term Debt : Equity)	-	-	-	-	-
Current Ratio	14.80	7.91	10.37	14.19	12.06

INDEPENDENT AUDITOR'S REPORT

To the Members of Insilco Limited

Report on the audit of thefinancial statements

Qualified Opinion

1. We have audited the accompanying financial statements of Insilco Limited ("the Company"), which comprise the balance sheet as at March 31, 2020, and the statement of Profit and Loss ((including Other Comprehensive Income),statement of changes in equityand statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and,except for the indeterminate effects of the matter referred to in the Basis for Qualified Opinion section of our report,give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, andtotal comprehensive income (comprising loss and other comprehensive income), changes in equityand its cash flows for the year then ended.

Basis for qualified opinion

3. We draw your attention to Note 33 to the Financial Statements regarding suspension of the Company's manufacturing operations due to rejection of the Company's applications for water and air consent approvals by the U.P. Pollution Control Board (UPPCB) vide its order dated October 22, 2019. The Company preferred appeals before the Special Secretary, Environment, Department of Environment, UP. As stated in the said note the Company's ability to resume its manufacturing operations is dependent on the outcome of ongoing proceedings and the commercial viability of its operations is dependent on the implementation of its proposed LPG project. As explained in Note 26 (d), the Company's application to obtain ano objection certificate for the proposed LPG project and the evaluation of the quantum of transfer charges, if any, payable pursuant to transfer of the controlling interest in the Company by the promoters, are pending with the Uttar Pradesh State Industrial Development Authority.These matters indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Pending resolution of the Company's appeals before the appellate authority, we are unable to comment on the potential impact, if any, on the financial statements in this regard.

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

Key audit matters

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

Other Information

6. The Company's Board of Directors is responsible for the other information. The otherinformation comprises the information included in the Annual Report, but does not include thefinancial statements and our auditor's report thereon.

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

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

   We have nothing to report in this regard.

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

7. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equityand cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under

section 133 of the Act.This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

8. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

9. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

11. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

14. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

15. As required by Section 143(3) of the Act, we report that:

    a) We have sought and except for the matters described in the Basis for Qualified Opinion section of our report obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b) In our opinion, except for the indeterminate effect of the matter described in the Basis for Qualified Opinion paragraph section of our report, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

    d) In our opinion, except for the indeterminate effect of the matters described in the paragraph 3 of the Basis for Qualified Opinion section of our report, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.

    e) The matter described under basis of qualified opinion paragraph has an adverse effect on the functioning of the Company.

    f) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

    g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion section of our report

    h) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

    i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

        i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 26 to the financial statements;

        ii. The Company does not have derivative contracts and in respect of other long-term contracts there are no material foreseeable loses as at March 31, 2020;

        iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2020.

        iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2020.

16. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

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

Sd/-
Charan S Gupta
Partner
Membership Number: 093044

Gurugram, Haryana
June 23, 2020

Annexure A to Independent Auditors' Report

Referred to in paragraph 15 (h) of the Independent Auditors' Report of even date to the members of Insilco Limited on the financial statements for the year ended March 31, 2020

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

1. We have audited the internal financial controls with reference to financial statements of Insilco Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls

Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

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

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Sd/-
Charan S Gupta
Partner
Membership Number: 093044

Gurugram, Haryana
June 23, 2020

Annexure B to Independent Auditors' Report

Referred to in paragraph 14 of the Independent Auditors' Report of even date to the members of Insilco Limited on the financial statements as of and for the year ended March 31, 2020

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of property, plant and equipment, right-of-use assets and other intangible assets.

(b) The property, plant and equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the property, plant and equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) The title deeds of immovable properties, as disclosed in Note 3 (b) on Leases - Right-of-use assets and Note 4 on investment properties to the financial statements, are held in the name of the Company.

ii. The physical verification of inventory have been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products.

We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, goods and service tax and other material statutory dues, as applicable, with the appropriate authorities.

Also refer note 26 c) to the financial statements regarding management's assessment on certain matters relating to provident fund.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, service-tax, duty of customs, duty of excise which have not been deposited on account of any dispute. The particulars of dues of sales tax and value added tax as at March 31, 2020 which have not been deposited on account of a dispute, are as follows:

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

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

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

viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.

ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

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

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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

Sd/-
Charan S Gupta
Partner
Membership Number: 093044

Gurugram, Haryana
June 23, 2020

Balance Sheet as at March 31, 2020

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

PARTICULARS	Notes	As at 31-Mar-2020	As at 31-Mar-2019
ASSETS			
Non-current assets			
Property, plant and equipment	**3(a)**	208,492	220,734
Right-of-use assets	**3(b)**	14,510	-
Capital work-in-progress	**3(a)**	5,171	9,604
Investment properties	**4**	104	104
Other intangible assets	**5**	301	989
Financial assets			
i. Loans	**6 (a)**	7,597	7,543
ii. Other financial assets	**6 (b)**	1,000	1,000
Other non-current assets	**7 (a)**	451	2,512
Income tax assets (net)	**7 (b)**	10,474	16,265
Total non-current assets		**248,100**	**258,751**
Current assets			
Inventories	**8**	26,696	105,501
Financial assets			
i. Investments	**9 (a)**	182,567	193,286
ii. Trade receivables	**9 (b)**	3,121	165,773
iii. Cash and cash equivalents	**9 (c)**	9,259	10,516
iv. Bank balances other than (iii) above	**9 (d)**	390,000	295,000
v. Loans	**6 (a)**	1,496	1,093
vi. Other financial assets	**6 (b)**	9,152	13,539
Other current assets	**10**	19,454	7,068
Total current assets		**641,745**	**791,776**
Total assets		**889,845**	**1,050,527**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	**11 (a)**	627,150	627,150
Other equity			
Reserves and surplus	**11 (b)**	214,630	322,218
Total equity		**841,780**	**949,368**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
i. Borrowings	**12 (a)**	-	92
ii. Lease liabilities	**3(b)**	1,740	-
Employee benefit obligations	**13 (a)**	1,018	994
Deferred tax liabilities (net)	**14**	1,954	-
Total non-current liabilities		**4,712**	**1,086**
Current liabilities			
Financial liabilities			
i. Lease liabilities	**3(b)**	912	-
ii. Trade payables			
- Total outstanding dues of micro, medium and small enterprises	**12 (b)**	91	14,067
- Total outstanding dues of creditors other than micro medium and small enterprises	**12 (b)**	18,306	54,060

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

PARTICULARS	Notes	As at 31-Mar-2020	As at 31-Mar-2019
iii. Other financial liabilities	**12 (c)**	5,431	10,865
Provisions	**12 (d)**	157	506
Employee benefit obligations	**13 (b)**	13,755	11,275
Other current liabilities	**15**	4,701	9,300
Total current liabilities		**43,353**	**100,073**
Total liabilities		**48,065**	**101,159**
Total equity and liabilities		**889,845**	**1,050,527**

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

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

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

Place : Gurugram, Haryana
Date : June 23, 2020

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

Sd/-
Sonia Prashar
Director
DIN: 06477222

Sd/-
Brijesh Arora
Managing Director
DIN: 00952523

Sd/-
Shivangi Negi
Chief Financial Officer

Sd/-
Swati Surhatia
Company Secretary

Place : New Delhi
Date : June 23, 2020

Statement of Profit and Loss for the year ended March 31, 2020

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

PARTICULARS	Notes	Year ended 31-Mar-2020	Year ended 31-Mar-2019
Revenue from operations	**16**	577,470	951,469
Other income	**17 (a)**	33,920	24,545
Other gains/(losses) (net)	**17 (b)**	19,587	15,928
Total income		**630,977**	**991,942**
Expenses			
Cost of materials consumed	**18**	227,193	415,139
Changes in inventories of finished goods and work-in-progress	**19**	68,508	(26,754)
Employee benefit expense	**20**	86,346	84,991
Depreciation and amortisation expense	**21**	28,278	24,643
Other expenses	**22**	323,305	551,851
Finance costs	**23**	124	3,242
Total expenses		**733,754**	**1,053,112**
(Loss)/ profit before tax		**(102,777)**	**(61,170)**
Income tax expense	**24**		
- Deferred tax		1,954	(765)
Total tax expense		**1,954**	**(765)**
(Loss)/ profit for the year		**(104,731)**	**(60,405)**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement (losses)/ gains on defined benefit plans (net of tax)		(2,857)	(2,410)
Other comprehensive (loss)/ income for the year, net of tax		**(2,857)**	**(2,410)**
Total comprehensive (loss)/ income for the year		**(107,588)**	**(62,815)**
Earnings per equity share			
Basic earnings per equity share (Rs.)	**28**	(1.67)	(0.96)
Diluted earnings per equity share (Rs.)	**28**	(1.67)	(0.96)
Nominal value per equity share (Rs.)		10	10

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

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

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

Place : Gurugram, Haryana
Date : June 23, 2020

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

Sd/-
Sonia Prashar
Director
DIN: 06477222

Sd/-
Brijesh Arora
Managing Director
DIN: 00952523

Sd/-
Shivangi Negi
Chief Financial Officer

Sd/-
Swati Surhatia
Company Secretary

Place : New Delhi
Date : June 23, 2020

Statement of changes in equity for the year ended March 31, 2020

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

A. Equity share capital

Particulars	Notes	Amount
At 01 April 2018	**11 (a)**	627,150
Change in equity share capital		-
At 31 March 2019		**627,150**
Change in equity share capital		-
At 31 March 2020		**627,150**

B. Other Equity

Particulars	Notes	Reserves & surplus	Total
		Retained earnings	
Balance as at 01 April 2018	**11 (b)**	385,033	385,033
Profit / (loss) for the year	**11 (b)**	(60,405)	(60,405)
Other comprehensive income :			
Remeasurements of post-employment benefit obligation, net of tax	**11 (b)**	(2,410)	(2,410)
Balance as at 31 March 2019		**322,218**	**322,218**
Profit / (loss) for the year	**11 (b)**	(104,731)	(104,731)
Other comprehensive income :			
Remeasurements of post-employment benefit obligation, net of tax	**11 (b)**	(2,857)	(2,857)
Balance as at 31 March 2020		**214,630**	**214,630**

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

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

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

Place : Gurugram, Haryana
Date : June 23, 2020

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

Sd/-
Sonia Prashar
Director
DIN: 06477222

Sd/-
Brijesh Arora
Managing Director
DIN: 00952523

Sd/-
Shivangi Negi
Chief Financial Officer

Sd/-
Swati Surhatia
Company Secretary

Place : New Delhi
Date : June 23, 2020

Cash Flow Statement for the year ended March 31, 2020

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

PARTICULARS	Notes	Year ended 31-Mar-2020	Year ended 31-Mar-2019
Cash flow from operating activities			
(Loss)/ Profit before income tax		(102,777)	(61,170)
Adjustments for			
Depreciation and amortisation expense	**21**	28,278	24,643
Loss on disposal of property, plant and equipment (net)	**22**	806	4,662
Net (gain)/loss on financial assets measured at fair value through profit or loss	**17 (b)**	(19,337)	(13,746)
Net (gain)/loss on sale of financial assets measured at fair value through profit and loss	**17 (b)**	56	(1,405)
Interest income on financial assets measured at amortised cost	**17 (a)**	(28,526)	(22,457)
Finance costs	**23**	124	3,242
Liabilities and provision no longer required written back	**17 (b)**	-	(331)
Provision for obsolete stores & spares and packing material no longer required written back	**17 (b)**	(115)	-
Loss allowance no longer required written back	**17 (b)**	(191)	(446)
Loss allowance	**22**	1,458	-
Net exchange differences		45	28
Changes in operating assets and liabilities			
(Increase)/ decrease in inventories		78,921	(6,724)
(Increase)/ decrease in trade receivables		161,194	13,893
(Increase)/ decrease in other financial asset		1,961	2,908
(Increase)/ decrease in other non-current assets		1,505	(1,347)
(Increase)/ decrease in other current assets		(12,386)	3,518
Increase/ (decrease) in trade payables		(49,585)	10,864
Increase/ (decrease) in other financial liabilities		(801)	860
Increase/ (decrease) in provisions		(349)	-
Increase/(decrease) in employee benefit obligations		(353)	1,444
Increase/ (decrease) in other current liabilities		(4,599)	929
Cash (used in)/ generated from operations		**55,329**	**(40,635)**
Income taxes paid/(refund received)		(5,791)	2,339
Net cash (used in)/ outflow from operating activities		**61,120**	**(42,974)**
Cash flow from investing activities			
Payments for property, plant and equipment		(28,264)	(55,726)
Proceeds from sale of property, plant and equipment		864	67
Proceeds from sale of investments		30,000	81,604
Repayment of loans by employees and security deposits refunded		(457)	(379)
Interest received		30,952	21,263
Fixed deposits with maturity of more than three months but less than twelve months		(105,000)	(5,000)
Deposits made with original maturity of more than twelve months		10,000	2,000
Net cash outflow from / (used in) investing activities		**(61,905)**	**43,829**

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

PARTICULARS	Notes	Year ended 31-Mar-2020	Year ended 31-Mar-2019
Cash flow from financing activities			
Principal elements of lease payment		(348)	-
Interest paid		(124)	(3,240)
Net cash (used in)/ outflow from financing activities		**(472)**	**(3,240)**
Net (decrease)/ increase in cash and cash equivalents		**(1,257)**	**(2,385)**
Cash and cash equivalents at beginning of the year		10,516	12,901
Cash and cash equivalents at end of the year [Refer Note 9 (c)]		**9,259**	**10,516**
Non-cash financing and investing activities			
- Acquisition of right-of-use assets	**3(b)**	2,560	-

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

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

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

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

Place : Gurugram, Haryana
Date : June 23, 2020

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

Sd/-
Sonia Prashar
Director
DIN: 06477222

Sd/-
Brijesh Arora
Managing Director
DIN: 00952523

Sd/-
Shivangi Negi
Chief Financial Officer

Sd/-
Swati Surhatia
Company Secretary

Place : New Delhi
Date : June 23, 2020

Notes to financial statements for the year ended March 31, 2020

Company Background

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

The financial statements were approved and authorized for issue with a resolution of the Company's Board of Directors on June 23, 2020.

Note 1: Significant accounting policies

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

(a) Basis of preparation

(i) Compliance with Ind AS

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

(ii) Historical cost convention

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

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

(iii) New and amended standards adopted by the Company

The Company has the following standards and amendments for the first time for their annual reporting period commencing 1April 2019:

- Ind AS 116, Leases
- Uncertainty over Income Tax Treatments-Appendix C to Ind AS 12, Income Taxes
- Plan Amendment, Curtailment or Settlement-Amendments to Ind AS 19, Employee Benefits
- Amendment to Ind AS 103, Business Combinations and Ind AS 111, Joint Arrangements
- Amendment to Ind AS 12, Income Taxes
- Amendment to Ind AS 23, Borrowing costs

The Company had to change its accounting policies as a result of adopting Ind AS 116. This is disclosed in Note 34. The other amendments listed above did not have any impact on the amounts recognized in prior periods and are not expected to affect the current or future periods.

(b) Current versus non-current classification

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

An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle, or
- It is held primarily for the purpose of trading, or
- It is due to be settled within twelve months after the reporting period, or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

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

(c) Segment reporting

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

(d) Foreign currency translation

(i) Functional and presentation currency

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

(ii) Transactions and balances

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

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

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

(e) Revenue recognition

Sale of goods

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

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

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

Sale of services

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

(f) Government grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Government grants relating to income are deferred and recognized in the statement of profit and loss over the period necessary to match them with costs that they are intended to compensate and presented with other income.

(g) Income Taxes

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

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

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

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

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

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

(h) Leases

Till 31 March 2019:

As a lessee

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the statement of profit and loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Lease in which a significant portion of the risk and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

With effect from 1 April 2019:

As a lessee

From 1 April 2019, leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company. Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Company is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

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

- fixed payments (including in-substance fixed payments), less any lease incentive receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Company under residual value guarantees

- the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option

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

To determine the incremental borrowing rate, the Company:

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

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

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

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

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

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

(i) Impairment of assets

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

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

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

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

(j) Cash and cash equivalents

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

(k) Trade receivables

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

(l) Inventories

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

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

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

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

(m) Non-current assets held for sale

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

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

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

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

(n) Investments and other financial assets

(i) Classification

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

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

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

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

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

(ii) Recognition

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

(iii) Measurement

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

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

Debt Instruments

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

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

Equity instruments

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

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

(iv) Impairment of financial assets

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

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

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

(v) Derecognition of financial assets

A financial asset is derecognized only when

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

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

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

(vi) Income recognition

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

(o) Derivatives and hedging activities

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

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

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

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

(i) Cash flow hedges that qualify for hedge accounting

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

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

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

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

(ii) Embedded derivatives

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

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

Embedded foreign currency derivatives

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

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

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

(p) Offsetting financial instruments

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

(q) Property, plant and equipment (PPE)

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

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

Transition to Ind AS

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

Depreciation methods, estimated useful lives and residual value

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

Particulars	**Useful life as estimated by management (Years)**	**Useful life as per Schedule II (Years)**
Factory building	30	30
Non- Factory Building:		
- RCC frame*	37	60
- Other than RCC frame	30	30
- Tube well	5	5
- Carpet road-other than RCC	5	5

Particulars	Useful life as estimated by management (Years)	Useful life as per Schedule II (Years)
Electrical Installation and Fittings*	5	10
Air conditioner*	5	10
Computers:		
- Server/Network*	4	6
- End user devices, desktop, laptop etc.	3	3
Office Equipment*	5	10
Furniture and Fixture	10	10
Vehicles*	5	8
Plant and Machinery :		
- Shift base	7.5-15	7.5-15
- Continuous process	25	25
- Reactors/storage tanks/vessels etc.	20	20
- Workshop equipment	15	15
- Laboratory equipments	7.5	7.5
- Components of Plant & machinery	1-25	(As estimated by the management)

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

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

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

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

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

(r) Investment properties

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

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

Transfers to or from investment property is made when and only when there is a change in use.

(s) Intangible assets

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

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

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

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

Amortisation methods and periods

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

Computer software : 3 years

(t) Trade and other payables

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

(u) Borrowings

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

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

(v) Borrowing costs

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

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

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

(w) Provisions and contingent liabilities

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

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

Contingent Liabilities: Contingent liabilities are disclosed when:

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

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

(x) Fair value measurement

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

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

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

(y) Employee benefits

(i) Short-term obligations

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

(ii) Other long-term employee benefits obligations

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

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

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

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

Defined benefit plans

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

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

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

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

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

Defined contribution plans

- Provident Fund:

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

- Superannuation:

  The Company has taken group policy with Life Insurance Corporation of India (LIC) to fund its liability towards employee's superannuation. Superannuation fund is administered by LIC and contributions made to the fund are recognized as expenditure in the statement of profit and loss. The Company has no further obligations under the plan beyond its monthly contributions.

- National Pension Scheme:

  The Company has registered under the National Pension Scheme to provide postretirement benefit to employees. This is an optional scheme available to employees. The Company has no further obligations under the plan beyond its monthly contributions, which is recognized as expenditure when made, in the statement of profit and loss.

- Bonus Plan

  The Company recognizes a liability and an expense for bonuses. The Company recognize a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

- Termination benefits

  Termination benefits are payable when employment is terminated by the company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The company recognize termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits: and (b) when the entity recognizes costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer.

(z) Contributed equity

Equity shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown as a deduction, net of tax, from the proceeds.

(aa) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- The net profit or loss for the period attributable to equity shareholders
- by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(bb) Exceptional items

On certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company. Such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying the financial statement. Significant impact on the financial statements arising from write-off of capital work in progress are considered and reported as an exceptional items.

(cc) Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousand as per the requirement of Schedule III, unless otherwise stated.

Note 2: Critical estimates and judgements

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also needs to exercise judgement in applying the Company's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

Critical estimates and judgements

The areas involving critical estimates and judgements are:

- Estimation of useful life of property, plant and equipment – Note 3(a)
- Determination of lease term – Note 3(b)
- Fair value of investment properties – Note 4
- Fair value of investment in mutual funds – Note 9(a)
- Impairment of trade receivables – Note 9(b)
- Estimation of defined benefit obligation - Note 13(a) and 13(b)
- Provision for litigations and contingent liabilities – Note 12 (d) and 26
- Recognition of deferred tax assets and liabilities and tax expense – Note 14 and 24
- Estimation of conditions/uncertainties that may cast significant doubt on the Company's ability to continue as a going concern– Note 33

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

Notes to financial statements for the year ended March 31, 2020

Note 3 : Property, Plant and Equipment

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

Particulars	Lease Hold Land	Building	Plant & Machinery	Furniture & Fixtures	Vehicles	Office Equipments	Electrical Installation & Fittings (including AC)	Computers	Total	Capital work in progress
Year ended 31 March 2019										
Gross carrying amount										
Opening gross carrying amount	12,776	63,084	118,814	1,826	5,724	3,630	6,250	4,782	216,886	19,237
Additions	-	14,681	52,496	-	-	389	153	159	67,878	56,068
Disposals	-	2,132	3,205	16	-	367	40	11	5,771	-
Transfer to PPE	-	-	-	-	-	-	-	-	-	65,701
Closing gross carrying amount	12,776	75,633	168,105	1,810	5,724	3,652	6,363	4,930	278,993	9,604
Accumulated depreciation										
Opening accumulated depreciation	405	9,787	20,158	615	1,900	902	324	1,231	35,322	-
Depreciation charge for the year	183	5,029	15,335	315	1,150	684	233	1,050	23,979	-
Disposals	-	264	596	10	-	150	22	-	1,042	-
Closing accumulated depreciation	588	14,552	34,897	920	3,050	1,436	535	2,281	58,259	-
Net carrying amount	12,188	61,081	133,208	890	2,674	2,216	5,828	2,649	220,734	9,604
Period ended 31 March 2020										
Gross carrying amount										
Opening gross carrying amount	12,776	75,633	168,105	1,810	5,724	3,652	6,363	4,930	278,993	9,604
Adjustment for change in accounting policy refer note 34	12,776	-	-	-	-	-	-	-	12,776	-
Restated gross carrying amount	-	75,633	168,105	1,810	5,724	3,652	6,363	4,930	266,217	9,604
Additions	-	10,898	16,084	-	-	397	530	711	28,620	22,603
Disposals	-	192	1,755	-	720	276	205	491	3,639	-
Transfer to PPE	-	-	-	-	-	-	-	-	-	27,036
Closing gross carrying amount	-	86,339	182,434	1,810	5,004	3,773	6,688	5,150	291,198	5,171
Accumulated depreciation										
Opening accumulated depreciation	588	14,552	34,897	920	3,050	1,436	535	2,281	58,259	-
Adjustment for change in accounting policy refer note 34	588	-	-	-	-	-	-	-	588	-
Restated accumulated depreciation	-	14,552	34,897	920	3,050	1,436	535	2,281	57,671	-
Depreciation charge for the year	-	5,515	18,017	306	1,013	683	287	1,210	27,031	-
Disposals	-	175	924	-	521	166	100	110	1,996	-
Closing accumulated depreciation	-	19,892	51,990	1,226	3,542	1,953	722	3,381	82,706	-
Net carrying amount	-	66,447	130,444	584	1,462	1,820	5,966	1,769	208,492	5,171

(i)

Leased asset	**31-Mar-20**	**31-Mar-19**
Leasehold land		
Cost/Deemed cost	-	12,776
Accumulated depreciation	-	588
Net carrying amount	**-**	**12,188**

The land had been taken on lease from Uttar Pradesh State Industrial Development Corporation (UPSIDC), for a period of 90 years. The lease has been considered as finance lease and accordingly land is being amortised on straight line basis over the lease term.

As at 31 March 2019, Lease hold land included the following amounts where the Company was a lease under finance lease:

	31-Mar-20	**31-Mar-19**
Lease hold land	-	12,776
Accumulated depreciation	-	(588)
Net carrying amount	**-**	**12,188**

Pursuant to the adoption of Ind AS 116, leased assets are presented as a separate line item in the balance sheet as at 31 March 2020, see note 3(b). Refer to note 34 for details about the changes in accounting policy.

(ii) **Contractual obligation**

Refer to Note 27(a) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(iii) **Capital work-in-progress**

Capital work-in-progress mainly comprises of expenditure towards the Propane LPG Project at Gajraula Plant. [Also refer note 26 (d)].

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

Note 3(b) : Leases

This note provides information for leases where the Company is a lessee. The Company had taken land on lease from Uttar Pradesh State Industrial Development Corporation(UPSIDC) for a period of 90 years. The office has been taken on lease from November 1, 2019 for a period of 3 years.

(i) Amount recognised in balance sheet

Right-of-use assets

	Lease hold land	Building	Total
Year ended 31 March 2020			
Gross carrying amount			
Opening gross carrying amount *	12,776	-	12,776
Additions	-	2,908	2,908
Disposals	-	-	-
Closing gross carrying amount	**12,776**	**2,908**	**15,684**
Accumulated depreciation			
Opening accumulated depreciation*	588	-	588
Depreciation charge for the year	183	403	586
Disposals	-	-	-
Closing accumulated depreciation	**771**	**403**	**1,174**
Net carrying amount	**12,005**	**2,505**	**14,510**

* Adjustment for change in accounting policy refer note 34

	Notes	31-Mar-20	1-Apr-19
Lease Liabilities			
Current		912	-
Non Current		1740	-
Total	**12 (a)**	**2,652**	**-**

* In the previous year, the Company only recognised lease assets and lease liabilities in relation to leases that were classified as 'finance leases' under Ind AS 17, Leases. The assets were presented in property, plant and equipment and the liabilities as part of Company's borrowings. For adjustments recognised on adoption on Ind AS 116 on 1 April 2019, please refer to note 34.

(ii) Amount recognised in the statement of profit and loss

	Notes	31-Mar-20	31-Mar-19
Depreciation charge of lease			
Land		183	-
Building		403	-
Total	**21**	**586**	**-**

	Notes	31-Mar-20	31-Mar-19
Interest expenses (included in finance cost)			
Land		3	-
Building		121	-
Total	**23**	**124**	**-**

The total cash outflow for the leases for the year ended 31 March 2020 was INR 472.

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

Extension outflow and termination options

Extension and termination options are included in leases. These are used to maximise operational flexibility in terms of managing the assets used in the Company’s operations.

Leasehold office: The extension and termination options held are excercisable only by the Company and not by the lessor.

Leasehold land: The lease deed, inter-alia, establishes various terms and conditions such as obtaining prior approval of UPSIDC to transfer/ relinquish / mortgage or assign the interest of the Company etc.

Critical judgements in determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Extension option in office lease has not been included in the lease liability, because the Company could replace the asset without business disruptions.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Company becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment and that is within the control of the lessee.During the current financial year no lease terms were revised.

Residual value guarantees

No residual guarantees have been provided in respect of any lease.

Note 4 : Investment properties

Particulars	31-Mar-20	31-Mar-19
Gross carrying amount		
Opening gross carrying amount	104	104
Closing gross carrying amount	104	104
Accumulated depreciation		
Opening accumulated depreciation	-	-
Closing accumulated depreciation	-	-
Net carrying amount	**104**	**104**

(i) Amounts recognised in the statement of profit or loss for investment properties

The Company has not recognised any amount related to investment properties in the Statement of Profit and Loss for the year ended March 31, 2020 and the year ended March 31, 2019.

(ii) Fair Value

	31-Mar-20	31-Mar-19
Investment property	2,083	2,083

Estimation of fair value :

The Company obtains independent valuation for its investment property at least annually. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the Company consider information from a variety of sources including:

- current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences
- discounted cash flow projections based on reliable estimates of future cash flows
- capitalised income projections based upon a property’s estimated net market income, and a capitalisation rate derived from an analysis of market evidence

The fair values of investment properties have been determined by Rakesh Narula & Co. The main inputs used are the right to sell / transfer / lease the land, demand and prospective buyers for such medium sized plots of land, shape, size, prominence and location of land, the marketability, utility, demand and supply of similar land in the surrounding area, the land rates as evident form the sale instances of comparable land found upon market enquiry, the land rates prevailing in nearby areas, legal and physical encumbrance on land, freehold and leasehold nature of land etc., usage – freehold land, locational advantages / disadvantages, easements / covenants regarding the usage of land, availability of infrastructure and civic amenities. All resulting fair value estimates for investment properties are included in level 3.

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

Note 5 : Other intangible assets

Particulars	Software	Total
Year ended 31 March 2019		
Gross carrying amount		
Opening gross carrying amount	2,131	2,131
Additions	-	-
Disposal	-	-
Closing gross carrying amount	2,131	2,131
Accumulated amortisation		
Opening accumulated amortisation	478	478
Amortisation charge for the year	664	664
Closing accumulated depreciation	1,142	1,142
Net carrying amount	**989**	**989**
Year ended 31 March 2020		
Gross carrying amount		
Opening gross carrying amount	2,131	2,131
Additions	-	-
Disposal	40	40
Closing gross carrying amount	2,091	2,091
Accumulated amortisation		
Opening accumulated amortisation	1,142	1,142
Amortisation charge for the year	661	661
Disposals	13	13
Closing accumulated depreciation	1,790	1,790
Net carrying amount	**301**	**301**

Note 6 : Financial assets

Note 6(a) : Loans

Particulars	31-Mar-20		31-Mar-19	
	Current	Non-current	Current	Non-current
Loan to employees	1,094	436	691	382
Security deposits	402	7,264	402	7,264
Less: Loss allowance	-	(103)	-	(103)
Total loans	**1,496**	**7,597**	**1,093**	**7,543**

Break-up of security details

Particulars	31-Mar-20	31-Mar-19
Loans considered good	9,196	8,739
Total	**9,196**	**8,739**
Less: Loss allowance	(103)	(103)
Total loans	**9,093**	**8,636**

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

Note 6(b) : Other financial assets

Particulars	31-Mar-20		31-Mar-19	
	Current	Non-current	Current	Non-current
Long term deposit with bank with original maturity period more than 12 months *	-	1,000	-	1,000
Interest accrued on fixed deposits with banks	8,529	-	10,920	-
Interest accrued on security deposits	443	-	478	-
Government grant receivable **	180	-	2,141	-
Total other financial assets	**9,152**	**1,000**	**13,539**	**1,000**

* The Company has given a bank guarantee of Rs. 1,000 ('000) [31 March 2019 – Rs. 1,000 ('000)], to UP Pollution Control Board against which a fixed deposit of same amount has been made with the bank. Therefore, there is restriction to use these funds.

** Refer note 17 (a).

Note 7 (a) : Other non-current assets

Particulars	31-Mar-20	31-Mar-19
Capital advances	-	556
Deferred employee cost	72	42
Balance with government authorities	331	617
Prepayment	48	1,297
Total other non-current assets	**451**	**2,512**

Note 7 (b) : Non-current income tax assets (net)

Particulars	31-Mar-20	31-Mar-19
Advance income taxes paid #	10,474	16,265
Total non-current income tax assets (net)	**10,474**	**16,265**
# Net of provision	10,073	10,073

Note 8 : Inventories

Particulars	31-Mar-20	31-Mar-19
Raw materials [includes material in transit as at 31 March 2020 Rs. Nil ('000), 31 March 2019 Rs. 2,540 ('000)]	7,129	13,933
Packing materials	-	4,311
Work in progress	-	11,473
Finished goods [includes material in transit as at 31 March 2020 Rs. Nil ('000), 31 March 2019 Rs. 5,224 ('000)]	-	57,035
Stores and spares [includes material in transit as at 31 March 2020 Rs. Nil ('000), 31 March 2019 Rs. 19 ('000)]	19,567	18,749
Total inventories	**26,696**	**105,501**

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

Amounts recognised in the statement of profit and loss

Write-down of inventories to net realizable value amounted to Rs. 24,471 ('000) [31 March 2019 – Rs. 2,325 ('000)]. These were recognized as an expense during the year and included in 'changes in value of inventories of work-in-progress and finished goods' Rs. 5,820 ('000) [31 March 2019 - Rs. 2,325 ('000)], 'cost of material consumed Rs. 16,036 ('000) [31 March 2019- Rs. Nil ('000)] 'Other expense' Rs. 2,616 ('000) [31 March 2019- Rs. Nil ('000)] in statement of profit and loss.

Inventories are net of provision for obsolete inventory amounting to Rs. 9,115 ('000) [31 March 2019- Rs.10,651 ('000)]. This has been recognized as an income during the year and included in 'Other gains/(losses)- (net)' Rs. 115 ('000) [31 March 2019 - Rs. Nil ('000)] in statement of profit and loss.

Note 9 (a) : Current Investments

Particulars	31-Mar-20	31-Mar-19
Investment in mutual funds		
Unquoted		
1,594,848 (31 March 2019: 1,822,232) units of Rs. 10 each of Franklin India Government Securities Fund - Long Term Plan - Direct	77,632	80,077
1,209,974 (31 March 2019: 2,182,706) units of Rs. 10 each of DHFL Pramerica Gilt Fund -Direct Plan - Growth	28,041	45,020
1,311,009 (31 March 2019: 1,311,009) units of Rs. 10 each of Canara Robeco Gilt PGS -Direct Growth -GL-DG	76,894	68,189
Total	**182,567**	**193,286**
Total current investments	182,567	193,286
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	182,567	193,286
Aggregate amount of impairment in the value of investments	-	-

Note 9 (b) : Trade receivables

Particulars	31-Mar-20	31-Mar-19
Trade receivables	4,823	166,017
Receivables from related parties [Refer note 25 (f)]	-	-
Less: Loss allowance	(1,702)	(244)
Total receivables	**3,121**	**165,773**
Current portion	**3,121**	**165,773**
Non-current portion	**-**	**-**
Break-up of security details		
Trade receivables considered good - Secured	151	1,150
Trade receivables considered good - Unsecured	4,672	164,867
Total	**4,823**	**166,017**
Less : Loss allowance	(1,702)	(244)
Total trade receivables	**3,121**	**165,773**

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

Note 9 (c) : Cash and cash equivalents

Particulars	31-Mar-20	31-Mar-19
Balances with banks		
- in current accounts*	9,099	10,308
Cash on hand	160	208
Total cash and cash equivalents	**9,259**	**10,516**

* including sweep fixed deposit with banks.

Note 9 (d) : Other bank balances

Particulars	31-Mar-20	31-Mar-19
Deposits with original maturity of more than three months but less than twelve months	390,000	285,000
Deposits with original maturity of more than twelve months	-	10,000
Total other bank balances	**390,000**	**295,000**

Note 10 : Other current assets

Particulars	31-Mar-20	31-Mar-19
Unsecured, considered good unless otherwise stated		
Advances to suppliers	4,991	3,012
Advance recoverable from related parties [Refer note 25 (f)]	70	-
Prepayments	5,736	3,988
Advance to employee	-	1
Deferred employee cost	73	67
Balances with statutory/ government authorities	8,584	-
Advances to suppliers - considered doubtful	978	978
Less: Allowance for doubtful advances	(978)	(978)
Total other current assets	**19,454**	**7,068**

Note 11: Equity share capital and other equity

11 (a) Equity share capital

Authorised equity share capital

Particulars	Number of shares	Amount
As at 1 April 2018	65,715,000	657,150
Increase during the year	-	-
As at 31 March 2019	**65,715,000**	**657,150**
Increase during the year	-	-
As at 31 March 2020	**65,715,000**	**657,150**
(i) Movement in equity share capital (issued, subscribed and paid up)		
As at 1 April 2018	62,715,000	627,150
Increase during the year	-	-
As at 31 March 2019	**62,715,000**	**627,150**
Increase during the year	-	-
As at 31 March 2020	**62,715,000**	**627,150**

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

(ii) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to vote. Dividend if declared, then paid in Indian rupees. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(iii) Shares of the Company held by Holding Company

Particulars	Number of shares	
	31-Mar-20	31-Mar-19
Evonik Operations GmBH (formerly known as Evonik Degussa GmBH), the Holding Company	45,853,315	45,853,315

(iv) Details of shareholders holding more than 5% shares in the Company

Particulars	31-Mar-20		31-Mar-19	
	Number of shares	% holding	Number of shares	% holding
Evonik Operations GmBH (formerly known as Evonik Degussa GmBH), the Holding Company	45,853,315	73.11%	45,853,315	73.11%

11(b) : Reserves and surplus

Particulars	31-Mar-20	31-Mar-19
Retained earnings	214,630	322,218
Total reserves and surplus	**214,630**	**322,218**

Retained Earnings

	31-Mar-20	31-Mar-19
Opening balance	322,218	385,033
Net (loss)/ profit for the year	(104,731)	(60,405)
Items of other comprehensive income recognised directly in retained earnings:		
Remeasurements of post-employment benefit obligation, net of tax	(2,857)	(2,410)
Closing balance	**214,630**	**322,218**

Note 12: Financial liabilities

12(a) Non-current borrowings

Particulars	Maturity date	Terms of repayment	Coupon/ Interest rate	31-Mar-20	31-Mar-19
Unsecured **Long-term maturities of finance lease obligations**					
Obligations under finance leases	1991-2081	Annual instalments	10.50%	-	92
Non-current borrowings (as per balance sheet)				**-**	**92**

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

Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

Particulars	31-Mar-20	31-Mar-19
Non-current borrowings	-	92
Lease liabilities (see note 3(b))	2,652	-
Net debt	**2,652**	**92**

Particulars	Liabilities from financing activities		Total
	Lease obligation	Non-current borrowings	
Net debt as at 1 April 2018	-	90	90
Interest expense	-	2	2
Net debt as at 31 March 2019	-	**92**	**92**
Recognised on adoption of Ind AS 116 (see Note 34)	**92**	-	**92**
Net debt as at 1 April 2019	**92**	-	**92**
Acquisitions – leases	2,908	-	**2,908**
Cash flows	(472)	-	**(472)**
Interest Paid	124	-	**124**
Net Debts as at 31 March 2020	**2,652**	-	**2,652**

Finance Lease liabilities

Finance lease liabilities were included in borrowings until 31 March 2019, but were reclassified to lease liabilities on 1 April 2019 in the process of adopting the new leasing standard. See note 34 for further information about the change in accounting policy for lease.

12(b) Trade payables

Particulars	31-Mar-20	31-Mar-19
Current		
Total outstanding dues of micro, medium and small enterprises	91	14,067
Total outstanding dues of creditors other than micro, medium and small enterprises	16,041	44,421
Trade payables to related parties (note 25 (f))	2,265	9,639
Total trade payables	**18,397**	**68,127**

Disclosures under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) based on the information available with the Company:

Particulars	31-Mar-20	31-Mar-19
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at period end	84	14,058
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at period end	7	9
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the period	2,033	1,384
Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the period	-	-
Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the period	9	105
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	7	9
Further interest remaining due and payable for earlier years	-	-

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

12(c) Other financial liabilities

Particulars	31-Mar-20	31-Mar-19
Current		
Employee related liabilities	3,483	4,164
Capital creditors	28	4,661
Security deposits from vendors	745	865
Security deposits from customers	1,175	1,175
Total other current financial liabilities	**5,431**	**10,865**

12 (d) Provisions

Particulars	31-Mar-20	31-Mar-19
Current		
Provisions	157	506
Total provisions	157	506

Movements in provisions

	Sales Tax cases	Total
As at 1 April 2018	506	506
Additional provision recognised	-	-
Unused amounts reversed	-	-
Amount used during the year	-	-
As at 31 March 2019	**506**	**506**
As at 1 April 2019	**506**	506
Additional provision recognised	-	-
Unused amounts reversed	**-**	-
Amount used during the year	**(349)**	(349)
As at 31 March 2020	**157**	**157**

Note 13 : Employee benefit obligations

Particulars		31-Mar-20	31-Mar-19
13(a)	**Employee benefit obligations - Non-current**		
	Long service award	1,018	994
	Total non-current employee benefit obligations	**1,018**	**994**
13(b)	**Employee benefit obligations - Current**		
	Compensated absences (i)	7,140	6,561
	Long service award	363	168
	Gratuity (ii)	6,252	4,546
	Total current employee benefit obligations	**13,755**	**11,275**

(*i*) ***Compensated absences***

The amount of the provision of Rs. 7,140 ('000) [(31 March 2019 – Rs. 6,561 ('000)], is presented as current, since the Company does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

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

Particulars	31-Mar-20	31-Mar-19
Leave obligation not expected to be settled within the next 12 months	6,060	5,577

(*ii*) *Post-employment obligations*

- Gratuity

Under the gratuity plan, every employee who has completed at least five years of service gets a gratuity on departure at 15 days of last drawn salary for each completed year of service. The completion of continuous service of 5 years shall not be applicable for an employee who attains the age of superannuation or normal age of retirement before completion of the continuous service of 5 years. The Company has funded the gratuity liability with Life Insurance Corporation of India (LIC) except in case of certain new employees, whose gratuity liability is unfunded. Rate of return is as given by the insurance Company. The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The reconciliation of opening and closing balances of the present value of the defined benefit obligations are as below:

(a) Present value of defined benefit obligation

Particulars	31-Mar-20	31-Mar-19
Obligations at year beginning	37,562	32,087
Interest expense	2,823	2,469
Current service cost	2,227	2,030
Past service cost	-	-
(Gains) and losses on curtailment and settlement	-	-
Amount recognised in the statement of profit and loss	**2,227**	**2,030**
Remeasurements		
Actuarial (gain) / loss from change in demographic assumption	(54)	(11)
Actuarial loss/ (gain) from change in financial assumption	2,234	468
Experience losses/ (gains)	677	2,023
Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling	-	-
Amount recognised in other comprehensive income	**2,857**	**2,480**
Payment from plan:		
Benefit payments	(2,484)	(1,504)
Settlements	-	-
Addition due to transfer of employee	-	-
Obligations at year end	**42,985**	**37,562**

(b) Fair value of plan assets

Particulars	31-Mar-20	31-Mar-19
Plan assets at year beginning, at fair value	33,017	30,708
Interest income	2,482	2,363
Amount recognised in the statement of profit and loss	**2,482**	**2,363**
Employer's contribution	3,520	1,378
Benefits paid	(2,286)	(1,503)
Return on plan assets, excluding amount recognised in net interest expense	-	70
Amount recognised in other comprehensive income	**-**	**70**
Fair Value of Plan Assets as at the end	**36,733**	**33,016**

(c) Assets and liabilities recognised in Balance Sheet

Particulars	31-Mar-20	31-Mar-19
Present value of the defined benefit obligations	42,985	37,562
Fair value of plan assets	36,733	33,016
Amount recognised as (liability)/ asset	**(6,252)**	**(4,546)**

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

(d) Defined benefit obligations cost for the year recognised in profit and loss

Particulars	31-Mar-20	31-Mar-19
Current service cost	2,227	2,030
Interest Cost	2,823	2,469
Interest income	(2,482)	(2,363)
Net defined benefit obligations cost for the year recognised in the statement of profit and loss	**2,568**	**2,136**

(e) Defined benefit obligations cost for the year recognised in other comprehensive income

Particulars	31-Mar-20	31-Mar-19
Actuarial (gain) / loss from change in demographic assumption	(54)	(11)
Actuarial loss/ (gain) from change in financial assumption	2,234	468
Experience losses/ (gains)	677	2,023
Return on plan assets, excluding amount recognised in net interest expense	-	(70)
Net defined benefit obligations cost for the year recognised in other comprehensive income	**2,857**	**2,410**

(f) Investment details of plans assets:

Particulars	31-Mar-20	31-Mar-19
LIC of India	100%	100%
Total	**100%**	**100%**

In respect of Employees Gratuity Fund, composition of plan assets is not readily available from LIC of India. The expected rate of return on assets is determined based on the assessment made at the beginning of the year on the return expected on its existing portfolio, along with the estimated increment to the plan assets and expected yield on the respective assets in the portfolio during the year.

(g) Actuarial assumptions

The significant actuarial assumptions were as follows:

Particulars	31-Mar-20	31-Mar-19
Discount rate	6.60%	7.50%
Salary growth rate	9.00%	9.00%
Attrition rate:		
Staff	6.58%	5.31%
Technicians	1.92%	2.54%
Mortality rate	IALM 12-14	IALM 06-08

(h) Expected contribution to the fund in the next year

Particulars	31-Mar-20	31-Mar-19
Gratuity	8,560	6,641

(i) Sensitivity analysis

Particulars	31-Mar-20		31-Mar-19	
	Decrease	Increase	Decrease	Increase
Discount rate (- / + 1%)	45,687	40,535	40,032	35,327
(% change compared to base due to sensitivity)	6.3%	-5.7%	6.6%	-6.0%
Salary growth rate (- / + 1%)	40,565	45,599	35,337	39,973
(% change compared to base due to sensitivity)	-5.6%	6.1%	-5.9%	6.4%
Attrition rate (- / + 50% of attrition rate)	43,552	42,524	37,903	37,275
(% change compared to base due to sensitivity)	1.3%	-1.1%	0.9%	-0.8%
Mortality rate (- / + 10% of mortality rates)	42,996	42,974	37,571	37,556
(% change compared to base due to sensitivity)	0.0%	0.0%	0.0%	0.0%

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

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to the prior period.

(j) Risk exposure

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory frame work which may vary over time. Thus, the Company is exposed to various risks in providing the above gratuity benefit which are as follows:

Interest rate risk: The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

Liquidity risk: This is the risk that the Company is not able to meet the short-term gratuity payouts. This may arise due to non availability of enough cash / cash equivalents to meet the liabilities or holding of illiquid assets not being sold in time.

Salary escalation risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability.

Demographic risk: The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse as compared to the assumptions.

Asset liability mismatching or market risk: The duration of the liability is longer compared to duration of assets, exposing the Company to market risk for volatilities/ fall in interest rate.

Investment risk: The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Maturity profile of defined benefit obligation

Weighted average duration (based on discounted cash flows) 6 Years

The expected maturity analysis of gratuity (undiscounted) is as follows:

Particulars		1 year	Between 2 - 5 years	Between 6 - 10 years	Over 10 years	Total
Defined benefit obligation	**31-Mar-20**	3,770	22,712	22,795	18,308	67,585
Total		**3,770**	**22,712**	**22,795**	**18,308**	**67,585**
Defined benefit obligation	**31-Mar-19**	3,287	19,241	25,318	16,831	64,677
Total		**3,287**	**19,241**	**25,318**	**16,831**	**64,677**

(*iii*) *Defined contribution plans*

- Provident Fund: Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as expenditure, when an employee renders the related service.
- Superannuation: The Company has taken group policy with Life Insurance Corporation of India (LIC) to fund its liability towards employee's superannuation. Superannuation fund is administered by LIC and contributions made to the fund are charged to revenue. The Company has no further obligations under the plan beyond its monthly contributions.
- National Pension Scheme: The Company has registered under the National Pension Scheme to provide post retirement benefit to employees. This is an optional scheme available to employees. The Company has no further obligations under the plan beyond its monthly contributions.

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

During the year, the Company has recognised the following amounts in the Statement of Profit and Loss :

Particulars	31-Mar-20	31-Mar-19
Provident Fund	5,059	4,855
Superannuation	4,523	4,489
National pension scheme	824	873
Total	10,406	10,217

(*iv*) ***Other long term employee benefits***

- Long Service AwardAs per the Company policy, every employee is entitled to Long Service Award. The award is payable upon completion of 10 years and 20 years of continuous service.

Note 14 : Deferred tax liabilities (net)

The balance comprises temporary differences attributable to:

Particulars	31-Mar-20	31-Mar-19
(A) Deferred tax liability on capital gains		
Deferred tax asset:		
Capital losses	7,277	7,116
Deferred tax asset [Refer note (i)]	**7,277**	**7,116**
Deferred tax liabilities:		
Capital gain on investments	9,231	7,116
Deferred tax liabilities	**9,231**	**7,116**
Net deferred tax liabilities (A)	**1,954**	**-**
(B) Deferred tax liability on other items		
Deferred tax asset:		
Employee benefits	2,949	2,380
Others	2,055	2,412
Total deferred tax assets [Refer note (ii)]	**5,004**	**4,792**
Deferred tax liabilities:		
Depreciation/ amortisation on Property, plant and equipment/ Intangible assets	4,991	4,780
Employee loan	13	12
Total deferred tax liabilities	**5,004**	**4,792**
Net deferred tax liabilities (B)	**-**	**-**
Total Net deferred tax liabilities (A+B)	**1,954**	**-**

Note (i) : Under tax laws, capital gain or loss cannot be set off with profit and gain from business or profession, therefore, deferred tax liability on capital losses has been recognized separately. As it was not probable that the Company will have future capital gain therefore, deferred tax asset was recognized to the extent of deferred tax liability as on 31 March 2019. The amount of deferred tax assets not recorded on the capital loss has been shown as part of 'Unrecognised deferred tax assets' included in the table below:

Note (ii) : As it is not probable that the Company will have future taxable profit against which deferred tax assets can be realized, hence the deferred tax asset has been recognized on deductible temporary differences only to the extent of deferred tax liability. Further, deferred tax asset has not been recognized in relation to carry forward unused tax losses/ unabsorbed depreciation/MAT credit entitlement. The details of such items on which deferred tax assets has not been recognised is as below:

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

Unrecognized deferred tax assets

Particulars	31-Mar-20		31-Mar-19	
	Gross amount	Unrecognized tax effect	Gross amount	Unrecognized tax effect
Capital losses	-	-	725	160
Tax losses	144,030	40,069	52,869	14,708
Unabsorbed depreciation	70,937	19,735	42,159	11,729
Deductible temporary differences	6,359	1,769	4,809	1,338
MAT credit	-	27,966	-	27,966
		89,539		**55,901**

Tax losses, unabsorbed depreciation, MAT credit and deductible temporary differences for which deferred tax asset was not recognized, expires as follows:

Particulars	31-Mar-20	Expiry date	31-Mar-19	Expiry date
MAT credit	27,966	*	27,966	*
Tax losses	144,030	**	52,869	**
Unabsorbed depreciation	70,937	***	42,159	***
Deductible temporary differences	6,359	****	4,809	****
Capital losses	-	*****	725	*****

*

Assessment Year	Available up to A.Y.	31-Mar-20	31-Mar-19
AY 2010-11	AY 2025-26	10,217	10,217
AY 2011-12	AY 2026-27	5,938	5,938
AY 2012-13	AY 2027-28	1,530	1,530
AY 2016-17	AY 2031-32	2,684	2,684
AY 2017-18	AY 2032-33	6,483	6,483
AY 2018-19	AY 2033-34	1,114	1,114
		27,966	**27,966**

**

Assessment Year	Available up to A.Y.	31-Mar-20	31-Mar-19
AY 2014-15	2022-23	18,413	18,413
AY 2019-20	2027-28	35,232	34,456
AY 2020-21	2028-29	90,385	-
		144,030	**52,869**

***Under Income Tax Act, 1961, unabsorbed depreciation can be carried forward indefinitely and has no expiry date.

**** The deductible temporary differences do not expire under current tax legislation.

*****

Assessment Year	Available up to A.Y.	31-Mar-20	31-Mar-19
AY 2015-16	2023-24	-	725
		-	**725**

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

Movement in deferred tax liabilities (Net)

Particulars	Employee benefits	Depreciation/ amortisation on Property, plant and equipment/ Intangible assets	Employee Loan	Carry forward capital losses	Financial assets at FVPTL	Others	Total
At 1 April 2018	2,195	(5,426)	(11)	7,071	(7,836)	3,242	(765)
(Charged)/credited:							
- to profit or loss	185	646	(1)	45	720	(830)	765
At 31 March 2019	**2,380**	**(4,780)**	**(12)**	**7,116**	**(7,116)**	**2,412**	**-**
(Charged)/credited:							
- to profit or loss	569	(211)	(1)	161	(2,115)	(357)	(1,954)
At 31 March 2020	**2,949**	**(4,991)**	**(13)**	**7,277**	**(9,231)**	**2,055**	**(1,954)**

Note 15 : Other current liabilities

Particulars	31-Mar-20	31-Mar-19
Advances from customers	160	204
Statutory dues	2,041	6,596
Advance received against disposal of property plant & equipment	2,500	2,500
Total other current liabilities	**4,701**	**9,300**

Note 16 : Revenue from operations

Particulars	31-Mar-20	31-Mar-19
Revenue from contracts with customers		
Sale of products	577,414	948,303
Sale of services	56	3,166
Total revenue from operations	**577,470**	**951,469**

(i) No significant judgements have been made by the Company in determination of the amount and timing of revenue from contracts with customers.

(ii) There are no unsatisfied (or partially satisfied) performance obligations, as the performance obligation is part of a contract that has an original expected duration of less than one year.

(iii) Reconciliation of revenue recognised with contract price :

	31-Mar-20	31-Mar-19
Contract Price	583,383	961,680
Adjustment for :		
Incentives to customers	(5,913)	(10,211)
	577,470	**951,469**

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

Note 17 (a) : Other income

Particulars	31-Mar-20	31-Mar-19
Interest income on financial assets measured at amortised cost	28,526	22,457
Government grant (i)	1,058	1,836
Scrap Sales	4,285	252
Insurance claim	51	-
Total other income	**33,920**	**24,545**

(i) Government grants are related to export incentives on Duty Drawback Scheme and Merchandise Export from India Scheme. There are no unfulfilled conditions or other contingencies attached to these grants.

Note 17 (b) : Other gains/(losses)- (net)

Particulars	31-Mar-20	31-Mar-19
Net gain/(loss) on financial assets measured at fair value through profit and loss	19,337	13,746
Net gain/(loss) on sale of financial assets measured at fair value through profit and Loss	(56)	1,405
Liabilities and provision no longer required written back	-	331
Provision for obsolete stores & spares and packing material no longer required written back	115	-
Loss allowance no longer required written back	191	446
Total other gains/(losses)	**19,587**	**15,928**

Note 18 : Cost of material consumed

Particulars	31-Mar-20	31-Mar-19
Raw and packing materials at the beginning of the year	18,244	35,201
Add: Purchases	216,078	398,182
Less: Raw and packing materials at the end of the year	7,129	18,244
Total cost of material consumed	**227,193**	**415,139**

Cost of material consumed includes Rs. 16,036 ('000) [31 March 2019- Rs. Nil ('000)] on account of write down of inventories to net realizable value.

Note 19 : Changes in inventories of finished goods and work-in-progress

Particulars	31-Mar-20	31-Mar-19
Opening balance		
Work in Process	11,473	8,988
Finished goods	57,035	32,766
Total opening balance (a)	**68,508**	**41,754**
Closing balance		
Work in Process	-	11,473
Finished goods	-	57,035
Total closing balance (b)	**-**	**68,508**
Total changes in inventories of finished goods and work-in-progress (a-b)	**68,508**	**(26,754)**

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

Note 20 : Employee benefit expense

Particulars	31-Mar-20	31-Mar-19
Salaries, wages and bonus	65,230	64,208
Contribution to provident and other funds (Refer note 13)	10,406	10,217
Gratuity (Refer note 13)	2,568	2,136
Compensated absences	1,452	1,356
Staff welfare expenses	6,690	7,074
Total employee benefit expense	**86,346**	**84,991**

Note 21 : Depreciation and amortisation expense

Particulars	Notes	31-Mar-20	31-Mar-19
Depreciation on property, plant and equipment	3(a)	27,031	23,979
Depreciation of right-of-use assets	3(b)	586	-
Amortisation of other intangible assets	5	661	664
Total depreciation and amortisation expense		**28,278**	**24,643**

Note 22 : Other expenses

Particulars	31-Mar-20	31-Mar-19
Consumption of stores and spare parts	20,268	42,306
Power and fuel	164,761	339,665
Freight outward	40,538	61,302
Rent	717	1,229
Repairs to buildings	1,577	3,034
Repairs to machinery	4,779	8,000
Repairs to others	400	1,200
Net foreign exchange loss	312	280
Loss allowance	1,458	-
Royalty	4,213	3,438
Information technologies support service charges	7,487	8,432
Rates and taxes	550	1,395
Legal and professional expenses (Refer note 22 (a) below)	23,747	7,237
Maintenance charges to UPSIDC (Refer note 22 (b) below)	6,567	11,101
Insurance	4,477	4,154
Sales commission	16,844	27,813
Waste disposal	2,890	2,324
Loss on disposal of property, plant and equipment (net)	806	4,662
Security expenses	5,954	6,017
Travelling	3,655	2,250
Miscellaneous Expenses	11,305	16,012
Total other expenses	**323,305**	**551,851**

Consumption of stores and spare parts include Rs. 1,440 ('000) [31 March 2019 Rs.- Nil ('000)] and power and fuel include Rs. 1,176 ('000) [31 March 2019 Rs.- Nil ('000)] on account of write down of inventories to net realizable value.

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

Note 22 (a) : Details of payments to auditors

Particulars	31-Mar-20	31-Mar-19
As auditor :		
Statutory audit	1,250	1,200
Limited review	750	600
Tax audit	330	-
Other Services	-	75
Re-imbursement of expenses	117	94
Total	**2,447**	**1,969**

Note 22 (b)

The Company (Lessee) and Uttar Pradesh Industrial Development Corporation (UPSIDC) (Lessor) had executed a lease deed in 1991 for its land at Gajraula for a period of 90 years. The Company received a letter from UPSIDC dated June 28, 2016, for payment of "Maintenance Charge" for Rs. 3 lakhs from September 1, 2015, to June 30, 2016. Insilco requested UPSIDC to provide relevant backup documents/copy of rules/regulation for payment, reply of which was not received from UPSIDC. In 2018, Insilco had applied to District Magistrate (DM) for obtaining NOC for its proposed LPG project. In the process, UPSIDC vide its letter dated February 21, 2019, wrote to Insilco, interalia, to deposit due demand of maintenance charges for above said land. After follow-ups, Insilco could finally get the backup calculation of the demand and relevant backup document on April 30, 2019. The demand included principal and interest on maintenance charges from September 1, 2015, to June 30, 2018. On May 1, 2019, Insilco paid such demand of Rs. 92.20 lakhs approximately including principal and interest on Maintenance Charges. Provision of Rs. 49.16 lakhs for maintenance charges for the period July 2018 to March 2019 had been created in books of accounts in the year ended on March 31, 2019. Maintenance charges of Rs. 65.49 lakhs for the period July 2018 to June 2019 has been paid on July 15, 2019. Further, for the year ended March 31, 2020 the Company has recognised expense of Rs. 65.67 lakhs on account of maintenance charges which includes provision of Rs. 49.16 lakhs for the period July 2019 to March 2020.

Note 23: Finance costs

Particulars	31-Mar-20	31-Mar-19
Interest and finance charges on financial liabilities not at fair value through profit or loss	-	3,240
Interest and finance charges on lease liabilities	124	2
Total finance costs	**124**	**3,242**

Subsequent to introduction of Ind AS 116 'Leases', the Company has recognized Long Term leases as Right-of-use assets and created Lease Obligation representing Present Value of future minimum lease payment. The unwinding of such obligation is recognized as Interest Expenses. Following transitional provision under Ind AS 116 'Leases', previous year numbers have not been reclassified. See note 34 for further information about the change in accounting policy for lease.

Note 24: Income tax expense

Particulars	31-Mar-20	31-Mar-19
Deferred tax		
Decrease / (increase) in deferred tax assets	-	-
(Decrease) / increase in deferred tax liabilities	1,954	(765)
Total deferred tax expense/(benefit)	**1,954**	**(765)**
Income tax expense	**1,954**	**(765)**

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

(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

Particulars	31-Mar-20	31-Mar-19
Profit before income tax expense	(102,777)	(61,170)
Tax at the Indian tax rate of 27.82% (2018-2019 – 27.82%)	(28,592)	(17,017)
Other adjustments	(2,606)	754
Deferred tax not recognised on business losses of current year	33,152	17,028
Income tax expense	**1,954**	**765**

(d) Transfer Pricing Note

The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income Tax Act, 1961. For this purpose, the Company has appointed an independent consultant for conducting a Transfer Pricing study (the 'study') for the Assessment Year 2020-21. In the unlikely event that any adjustment is required consequent to completion of the study for the year ended March 31, 2020, the same would be made in the subsequent year. However, management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any material impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

Note 25: Related party transactions

Name of entity	Place of business	Ownership interest 31-Mar-20	Ownership interest 31-Mar-19
(a) Parent Entities			
The Company is controlled by following entity:			
Ultimate Holding Company - RAG-Stiftung	Germany		
Intermediate Holding Company - Evonik Industries AG	Germany		
Holding Company - Evonik Operations GmBH (formerly known as Evonik Degussa GmBH),	Germany	73.11%	73.11%
(b) Fellow Subsidiaries with whom the Company had transaction during the year:			
Evonik India Pvt. Ltd.	India		
Evonik (Sea) Pte Ltd.	Singapore		
Evonik Resource Efficiency GmbH	Germany		
Evonik Technology and Infrastructure GmbH	Germany		
Evonik IP GmbH	Germany		

(c) Key management personnel and relative
Key management personnel:

Mr. Dara Phirozeshaw Mehta, Independent Director, Chairman
Mr. Brijesh Arora, Managing Director
Mr. Christian Schlossnikl, Director
Ms. Sonia Prashar, Independent Director
Mr. Sanjeev Taneja, Director
Ms. Meng Tang, Director
Ms. Shivangi Negi, Chief Financial Officer
Mr. Sarvesh Kumar Upadhyay, Company Secretary*
Ms. Swati Surhatia, Company Secretary**

* Till January 1, 2020
** With effect from March 2, 2020

Proprietorship firm in which proprietor is relative of key management personnel

Nityanand Singh & Co.

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

(d) Key management personnel compensation

Particulars	31-Mar-20	31-Mar-19
Short-term employee benefits	9,857	9,604
Post-employment benefits	464	604
Long-term employee benefits	1,413	1,633
Directors sitting fees	740	680
Total compensation	**12,474**	**12,521**

(e) Transactions with related parties

The following transactions occurred with related parties:

	Holding Company & Intermediate Holding Company		Fellow Subsidiary		Proprietorship firm in which proprietor is relative of key management personnel	
	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19	31-Mar-20	31-Mar-19
Sale of Goods:						
- Evonik Resource Efficiency GmbH	-	-	-	31,988	-	-
Commission on sales paid:						
- Evonik India Pvt. Ltd.	-	-	16,685	27,575	-	-
SAP license, Lotus Notes and Microsoft license fee paid:						
- Evonik Industries AG	7,487	8,432	-	-	-	-
Royalty:						
- Evonik IP Gmbh	-	-	4,213	3,438	-	-
Reimbursement of expenses received:						
- Evonik Resource Efficiency GmbH	-	-	70	-	-	-
- Evonik India Pvt. Ltd.	-	-	168	57	-	-
- Evonik (Sea) Pte Ltd.	-	-	-	71	-	-
Air Freight Paid :						
- Evonik India Pvt. Ltd.	-	-	9,553	-	-	-
Technical Know How paid :						
- Evonik Technology and Infrastructure GmbH	-	-	-	630	-	-
Training Expenses paid:						
- Evonik Industries AG	-	272	-	-	-	-
Fees (Secretarial audit):						
Nityanand Singh & Co.	-	-	-	-	118	-

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

(f) Outstanding balances arising from sales/purchases of goods and services

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

Particulars	31-Mar-20	31-Mar-19
Trade payables		
Intermediate holding company		
Evonik Industries AG	1,438	938
Fellow Subsidiaries		
Evonik IP GmbH	34	928
Evonik Technology and Infrastructure GmbH	675	630
Evonik India Pvt. Ltd.	-	7,143
Proprietorship firm in which proprietor is relative of key management personnel		
Nityanand Singh & Co.	118	-
Total payables to related parties	**2,265**	**9,639**
Fellow Subsidiaries		
Evonik Resource Efficiency GmbH	70	-
Total other current assets	**70**	**-**
Total receivables from related parties	**70**	**-**

Goods were sold to related party during previous year based on the price and terms that would be available to third parties.

Transactions relating to SAP license, Lotus Notes, Microsoft license fee, reimbursement of training and other expenses were on the basis of cost to cost reimbursement.

All other transaction were made on normal commercial terms and conditions and at market rates. All outstanding balances are unsecured and are repayable in cash.

Note 26 : Contingent liabilities

Particulars	31-Mar-20	31-Mar-19
House tax matter		
Case pertaining to demand for payment of House Tax including penalty	15,625	15,000
Sales tax matters		
Cases pending before Appellate authorities in respect of which the Company/department has filed appeals.	3,753	2,703
Liability for bonus		
Liability for bonus for Financial Year 2014-15 due to retrospective applicability of "The Payment of Bonus (Amendment) Act, 2015"	1,584	1,584
Others		
Other claims against the Company not acknowledged as debts	3,443	2,918
Total	**24,405**	**22,205**

(a) It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

(b) The Company does not expect any reimbursements in respect of the above contingent liabilities.

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

(c) "The Supreme Court of India has passed an order dated 28th February 2019 in the matter of The Regional Provident Fund Commissioner (II) West Bengal vs. Vivekananda Vidyamandir & Ors in Civil Appeal No. 6221 of 2011 and few other linked cases. In the said order, the Supreme Court has clarified the definition of the Basic Wage under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952.The Company has evaluated the impact of this Judgement and in the assessment of management, the aforesaid matter is not likely to have a significant financial impact and accordingly, no provision has been made in these Financial Statements. "

(d) During the financial year 2018-19, responding to the Company's application to District Magistrate for issue of no objection certificate (NOC) for its proposed LPG project at Gajraula, Uttar Pradesh State Industrial Development Authority (UPSIDA) had asked the Company to submit its approved building maps and certain information relating to change in shareholding of the Company / it's promoters since execution of agreement with UPSIDA in the year 1989. A letter dated July 18, 2019 was received from UPSIDA asking the Company to submit certain information and documents to evaluate the quantum of transfer charges payable pursuant to change of the controlling interest in the Company by the promoters. The Company has submitted these documents to UPSIDA. The Company has further submitted a request letter to UPSIDC/ UPSIDA to withdraw the letter dated July 18, 2019 and not to levy any transfer fee on the Company. Till date no demand has been raised on the Company.As evaluated by the management and based on legal advice, the liability on the Company for transfer charges cannot be ascertained at this stage.

Note 27 (a) : Capital Commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

Particulars	31-Mar-20	31-Mar-19
Property, plant and equipment *	20	3,594

* Net of advances 31 March 2020 Rs. Nil ('000), 31 March 2019 Rs. Nil ('000).

Note 27 (b) : Finance Lease obligations

The Company has finance lease obligation for its land at Gajraula. The Company's obligation under finance leases are secured by lessor's title to the leased assets. Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

Particulars	31-Mar-20		31-Mar-19	
	Minimum lease payments	Present value of MLP	Minimum lease payments	Present value of MLP
Within one year	-	-	7	6
After one year but not more than five years	-	-	37	26
More than five years	-	-	780	60
Total minimum lease payments	-	-	824	92
Less : Amounts representing finance charges	-	-	(732)	-
Present value of minimum lease payments	-	-	92	92

The Company has entered into a lease deed with Uttar Pradesh State Industrial Development Corporation (UPSIDC) for its land at Gajraula plant on March 20, 1991 for a period of 90 years. The lease deed, inter-alia, establishes various terms and conditions such as obtaining prior approval of UPSIDC to transfer/ relinquish / mortgage or assign the interest of the Company etc. The Company has made upfront payment of Rs. 12,371 ('000) as per contract and is under obligation to pay annual lease rent and maintenance charges.

Upon introduction of Ind AS 116 'Leases' effective April 1, 2019, all Finance Lease obligations identified under the earlier Ind AS 17 'Leases', have been reclassified and included under Lease Liability against Right-of use assets which are presented on the face of the Balance Sheet.See note 34 For further information about the change in accounting policy for lease.

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

Note 28 : Earnings per share

Particulars	31-Mar-20	31-Mar-19
(a) Basic earnings per share		
Basic earnings per share attributable to the equity holders of the Company (Rs.)	(1.67)	(0.96)
(b) Diluted earnings per share		
Diluted earnings per share attributable to the equity holders of the Company (Rs.)	(1.67)	(0.96)
(c) Reconciliation of earnings used in calculating earnings per share		
Basic earnings per share		
Profit attributable to equity share holders of the company used in calculating earnings per share	(104,731)	(60,405)
Diluted earnings per share		
Profit attributable to equity share holders of the company used in calculating earnings per share	(104,731)	(60,405)
(d) Weighted average number of shares used as the denominator		
Weighted average number of equity shares used as the denominator in calculating basic earnings per share (number of shares)	62,715,000	62,715,000
Weighted average number of equity shares used as the denominator in calculating diluted earnings per share (number of shares)	62,715,000	62,715,000

Note: There are no dilutive instruments.

Note 29 : Fair value measurements

Financial instruments by category

Particulars	31-Mar-20			31-Mar-19		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Investments						
- Mutual funds	182,567	-	-	193,286	-	-
Loans						
- Loans to Employees	-	-	1,530	-	-	1,073
- Security Deposits	-	-	7,563	-	-	7,563
Trade receivables	-	-	3,121	-	-	165,773
Cash and cash equivalents	-	-	9,259	-	-	10,516
Other Bank Balances	-	-	390,000	-	-	295,000
Other Financial Assets	-	-	10,152	-	-	14,539
Total financial assets	**182,567**	**-**	**421,625**	**193,286**	**-**	**494,464**
Financial liabilities						
Borrowings	-	-	-	-	-	92
Lease liabilities	-	-	2,652	-	-	-
Trade payables	-	-	18,397	-	-	68,127
Other Financial Liabilities:						
- Derivatives Financial Liability	-	-	-	-	-	-
- Other Financial Liabilities	-	-	5,431	-	-	10,865
Total financial liabilities	**-**	**-**	**26,480**	**-**	**-**	**79,084**

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

(i) Fair value hierarchy

Financial assets and liabilities measured at fair value - recurring fair value measurements	Notes	Level 1	Level 2	Level 3	Total
At 31 March 2020					
Financial Investments at FVPL					
Mutual funds	9 (a)	182,567	-	-	182,567
Total Financial Assets		**182,567**	**-**	**-**	**182,567**

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Notes	Level 1	Level 2	Level 3	Total
At 31 March 2020					
Financial Assets					
- Loans to Employees	6 (a)	-	-	1,530	1,530
Total Financial Assets		**-**	**-**	**1,530**	**1,530**
Financial Liabilities					
- Borrowings	12 (a)	-	-	-	-
- Lease liabilities	3(b)	-	-	2,652	2,652
Total Financial Liability		**-**	**-**	**2,652**	**2,652**

Financial assets and liabilities measured at fair value - recurring fair value measurements	Notes	Level 1	Level 2	Level 3	Total
At 31 March 2019					
Financial Investments at FVPL					
Mutual funds	9 (a)	193,286	-	-	193,286
Total Financial Assets		**193,286**	**-**	**-**	**193,286**

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	Notes	Level 1	Level 2	Level 3	Total
At 31 March 2019					
Financial Assets					
- Loans to Employees	6 (a)	-	-	1,073	1,073
Total Financial Assets		**-**	**-**	**1,073**	**1,073**
Financial Liabilities					
- Borrowings	12 (a)	-	-	92	92
- Lease liabilities	3(b)	-	-	-	-
Total Financial Liability		**-**	**-**	**92**	**92**

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices (in active market) the closing Net Asset Value (NAV) of which the Company can access as on measurement date. The mutual funds are measured using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Valuation technique used to determine fair value

The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date

There are no transfers between levels 1 and 2 during the year.

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

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

The carrying amounts of trade receivables, trade payables, capital creditors, cash and cash equivalents, other bank balances, other financial assets and other financial liabilities are considered to be the same as their fair values, due to their short-term nature.

Majorly, the security deposits are redeemable on demand and hence the fair values of security deposits are approximately equivalent to the carrying amount.

The fair values of borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own creit risk.

The fair values of lease are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own creit risk.

The fair values of loan to employees are based on discounted cash flows using a current perquisite valuation tax rate. They are classified as level 3 fair values in the fair value hierarchy since significant inputs required to fair value an instrument are not observable. There is no material difference between carrying amount and fair value of loan to employees as on 31 March 2020 and 31 March 2019.

Note 30 : Financial risk management

The Company's activities expose it to liquidity risk, credit risk and market risk (foreign exchange and price). In order to minimise any adverse effects on the financial performance of the Company, derivative financial instruments, such as foreign exchange forward contracts, are entered to hedge certain foreign currency risk exposures. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, derivative financial instruments, financial assets measured at amortised cost.	Aging analysis	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Trade Payable and other Financial liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk – foreign exchange	Future commercial transactions Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Immaterial impact insignificant amount	Amount receivable/payable in foreign currency are not significant
Market risk – Price Risk	Investment in Mutual funds	Monitoring of NAVs Sensitivity analysis	Investment in high rated Government Interest Link Funds

(A) Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and other financial assets as well as credit exposures to customers.

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and deposits with banking institutions. The carrying amounts of financial assets represent the maximum credit risk exposure.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information.

A default on a financial asset is when the counterparty fails to make contractual payments within 180 days when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the Company. The Company categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than 3 years past due. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. When recoveries are made, these are recognised in statement of profit and loss.

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

Where there has not been significant increase in credit risk in financial assets (other than trade receivables) expected credit loss is measured on 12 months ECL approach. In case of significant increase in credit risk lifetime expected credit loss approach is used. For trade receivables, expected credit loss is calculated using lifetime credit loss approach (simplified approach).

Year ended 31 March 2020:

Expected credit loss for loans and security deposits

Particulars		Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit loss	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	Loans	1,530	0%	-	**1,530**
		Security deposits	7,666	1.34%	103	**7,563**

Year ended 31 March 2019:

Expected credit loss for loans and security deposits

Particulars		Asset group	Estimated gross carrying amount at default	Expected probability of default	Expected credit loss	Carrying amount net of impairment provision
Loss allowance measured at 12 month expected credit losses	Financial assets for which credit risk has not increased significantly since initial recognition	Loans	1,073	0%	-	**1,073**
		Security deposits	7,666	1.34%	103	**7,563**

(a) Credit risk management

Cash & cash equivalents and bank deposits

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits account in different banks across the country. Also, no impairment loss has been recorded in respect of fixed deposits that are with recognised commercial banks and are not past due.

Other financial assets measured at amortised cost

Other financial assets measured at amortised cost include security deposits and other assets. Credit risk related to these other financial assets is managed by monitoring the recoverability of such amounts continuously.

Credit risk refers to risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises primarily from financial assets such as trade receivables, investment in mutual funds, other balances with banks, loans and other receivables.

The Company has developed guidelines for the management of credit risk from trade receivables. The Company's primary customers are with good credit ratings. Clients are subjected to credit assessments as a precautionary measure, and the adherence of all clients to payment due dates is monitored on an on-going basis, thereby practically eliminating the risk of default.

Credit risk arising from investment in mutual funds and other balances with banks is limited and there is no collateral held against these because the counterparties are banks and recognized financial institutions with high credit ratings assigned by the international credit rating agencies.

The average credit period on sales of products is 30 - 90 days. Credit risk arising from trade receivables is managed in accordance with the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed and accordingly individual credit limits are defined/modified.

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

Reconciliation of loss allowance provision - Trade receivables

Loss allowance on 1 April 2018	689
Changes in loss allowance	(445)
Loss allowance on 31 March 2019	244
Changes in loss allowance	1,458
Loss allowance on 31 March 2020	1,702

Reconciliation of loss allowance provision - Security deposit

Loss allowance on 1 April 2018	103
Changes in loss allowance	-
Loss allowance on 31 March 2019	103
Changes in loss allowance	-
Loss allowance on 31 March 2020	103

(B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding to meet obligations when due. Management monitors rolling forecasts of the company's liquidity position and cash and cash equivalents on the basis of expected cash flows.

Maturities of financial liabilities

The table below analyses the Company financial liabilities into relevant maturity groupings based on their contractual maturities for:

- all non-derivative financial liabilities and
- gross settled derivatives financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

(i) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	31-Mar-20	31-Mar-19
Floating rate - Expiring within one year :		
1. Cash Credit	5,000	5,000
2. Import / Inland letters of credit	20,000	20,000
3. Guarantees - performance / financial - maximum 2 years	20,000	20,000
4. Guarantees - performance / financial - maximum 5 years	5,000	5,000
5. Cash management services	4,000	4,000

(i) The limits under the facilities 2 to 4 above are inter-changeable at the Bank's discretion, subject to total utilisation not to exceed an aggregate limit of Rs. 20,000 ('000) [2019 Rs. 20,000 ('000)].

(ii) 'The facilities listed at 1 to 4 above shall be secured by first pari passu charge on stocks and book debts, with a margin of 25%.

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

Assets pledged as security

The carrying amount of assets pledged as security for financing arrangement are :

Particulars	31-Mar-20	31-Mar-19
Non-current assets		
Other financial assets		
Long term deposit with bank with original maturity period more than 12 months	1,000	1,000
Current assets		
First charge		
Inventories	26,696	105,501
Financial assets		
First charge		
Trade receivables	3,121	165,773
Total Current assets pledged as security	**30,817**	**272,274**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

Contractual maturities of financial liabilities:	0-30 days	31-180 days	181-365 days	1 to 5 year	Beyond 5 year	Total
31 March 2020						
Non-Derivatives						
Lease liabilities	94	480	567	1,836	770	3,747
Trade payables	17,490	334	-	573	-	18,397
Other financial liabilities	1,719	1,764	1,920	28	-	5,431
Total	**19,303**	**2,578**	**2,487**	**2,437**	**770**	**27,575**
Derivatives						
Foreign exchange forward contracts	-	-	-	-	-	-
Total	-	-	-	-	-	-
31 March 2019						
Non-Derivatives						
Obligation under finance lease	-	-	7	37	780	824
Trade payables	38,805	28,580	637	105	-	68,127
Other financial liabilities	7,426	1,399	2,040	-	-	10,865
Total	**46,231**	**29,979**	**2,684**	**142**	**780**	**79,816**
Derivatives						
Foreign exchange forward contracts	-	-	-	-	-	-
Total	-	-	-	-	-	-

(C) Market risk

(i) Foreign currency risk

The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to Euro and USD. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities denominated in a currency that is not the Company's functional currency (INR). However, the Company does not have significant foreign currency exposure as major import and export are done in functional currency except for few immaterial transactions. Accordingly, the Company, generally does not take any financial instrument to hedge its foreign exchange currency risk exposure.

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

The Company's unhedged foreign currency exposure is as follows:

Particulars	31-Mar-20		31-Mar-19	
	USD	EUR	USD	EUR
Financial assets				
Trade receivables	-	-	44	-
Exposure to foreign currency risk (assets)	**-**	**-**	**44**	**-**
Financial liabilities				
Trade payables				
- Export commission payable	-	-	2	-
- Support services charges payable	-	25	-	31
Exposure to foreign currency risk (liabilities)	**-**	**25**	**2**	**31**

(iii) Price risk

The Company's exposure to price risk arises from mutual funds held by the Company and classified in the Balance Sheet as fair value through profit or loss. To manage its price risk arising from investments in mutual funds, the Company invests in Government Interest Liquidity Funds, which are highly rated.

Sensitivity

The table below summarises the impact of increases/decreases of the NAV on the Company's profit for the year. The analysis is based on the assumption that the Mutual fund NAV had increased / decreased with all other variables held constant. Further there is no change in assumptions from last year.

Particulars	Impact on profit after tax	
	31-Mar-20	31-Mar-19
NAV – increase - 3% (31 March 2019 4%)	5,477	7,731
NAV – decrease - 3% (31 March 2019 4%)	(5,477)	(7,731)

Note 31 : Segment Information:

Description of segments and principal activities

The Company is engaged in the manufacture of a single product viz. Precipitated Silica.

Operating segments are reported in a manner consistent with the internal reporting to the Chief Operating Decision Maker (CODM) of the Company. The Company has identified Board of Directors as CODM. The CODM is responsible for allocating resources and assessing performance of the operating segments. The Company has monthly review and forecasting procedure in place and CODM reviews the operations of the Company as a whole, hence there are no reportable segments as per Ind AS 108 "Operating Segments"

A. Information about geographical areas:

The following information discloses revenue from external customers based on geographical areas:

i) Revenue from external customers

Particulars	For the year	
	31-Mar-20	31-Mar-19
India	539,216	892,624
Outside India	38,254	58,845
	577,470	951,469

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

ii) Revenues from transactions with one external customers (previous year two) amounting to 10 per cent or more of the Company's revenues is as follows

Particulars	For the year	
	31-Mar-20	31-Mar-19
Customers	70,221	201,784

iii) All the non-current assets of the Company are located in India.

Note 32 : Capital management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

The Company has only one class of equity shares and has no debt. Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for re-investment into business based on its long term financial plans.

Note 33 :

The Company was informed by the Uttar Pradesh Pollution Control Board (UPPCB) that pursuant to the order of Hon'ble National Green Tribunal (NGT) dated April 26, 2017 in the matter of 'M. C. Mehta Vs. Union of India and Others' relating to cleaning of river Ganga, 15 industrial units of 13 companies in Gajraula including unit of Insilco Limited, in the catchment of the river Bagad which leads to the river Ganga, had been ordered to be shut down. In compliance with the same, the Company had shut down its Plant at Gajraula. The matter was again heard on May 8, 2017, where the Company's plant was allowed to resume its operations with certain directions and the Company restarted its plant on May 9, 2017. The directions of NGT, inter-alia, included that the Company would put forward its case before a Joint Inspection Team (JIT) and the JIT will submit its report within two weeks from May 8, 2017. Pursuant to such directions, the JIT visited the plant of the Company on May 23, 2017 and the Company demonstrated and put its case before the said team. On July 13, 2017, NGT pronounced its detailed judgement, which has, inter-alia, given powers to the JIT to issue directions to various companies under the provisions of the Water (Prevention and Control of Pollution) Act, 1974 and Environmental (Protection) Act, 1986. The Company has filed a Caveat in NGT so that no orders are passed without giving the Company an opportunity of being heard. In response to the Company's application for renewal of water and air consent for its plant, the Company received a letter dated January 12, 2018 from UPPCB intimating to the Company the recommendations of JIT which has been duly replied by the Company to UPPCB. A consent for the calendar year 2018 dated May 8, 2018 under The Water (Prevention and Control of Pollution) Act, 1974 was issued to the Company by UPPCB.

This consent included detailed conditions relating to discharge of the industrial effluent generated by the Company. One of the specific conditions interalia stated that Insilco to request IIT Roorkee for their comments in its final report with respect to ZLD and Insilco to ensure ZLD by way of recycling the treated effluent or other methodology recommended by IIT Roorkee and approved by Central Pollution Control Board (CPCB) by December 31, 2018. The Company had applied for renewal of its water and air consent in October 2018 for the years 2019 to 2028. UPPCB had issued few queries on the renewal application, which have been duly replied by the Company. The Company had submitted final report of IIT Roorkee dated July 17, 2019 to UPPCB vide its letter dated July 20, 2019. The report evaluated five technologies and all such technologies were concluded as non-feasible. The report also concluded that "in present context, there seems to be no feasible technology other than the present practice followed by Insilco for the treatment of Insilco effluent to maintain Sodium Absorption Ratio (SAR) at 26". A summary of the report was submitted with Bombay Stock Exchange vide Company's letter dated July 23, 2019.

UPPCB, vide its orders dated October 22, 2019, refused the Company's application for renewal of Water and Air consent on the ground that 'the unit is using fresh water for dilution of effluent to achieve the norms of SAR 26 which cannot be allowed and unit may submit final report of IIT, Roorkee to CPCB and seek suitable direction'. Pursuant to the said refusal orders, the Company suspended its production at Gajraula plant from October 26, 2019 in consultation with UPPCB. The Company made a representation to CPCB vide its letter dated October 30, 2019 for seeking suitable direction for the water and air consent renewal and also preferred a Writ Petition before the Hon'ble Allahabad High Court ("Court") on November 1, 2019, interalia, seeking quashing of the orders dated October 22, 2019 passed by UPPCB or in the alternative, for allowing the Company to resume production until the CPCB passes suitable directions and for seeking directions against the UPPCB to renew the Company's water and air consent.

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

The Court has dismissed the Company's writ petition vide its order dated November 13, 2019 and has granted it liberty to approach the statutory authority in respect of the impugned orders, and take all points which are available in law. Subsequently, the Company filed a fresh application for renewal of air consent and water consent seeking permission to re-start its operations with a proposal to increase magnesium sulphate and stop using dilution by fresh water. However, UPPCB vide its letters dated February 4, 2020 has rejected the fresh applications for renewal of water consent and air consent stating the following reasons:

"1- The study carried out by IIT, Roorkee has not suggested any feasible method for treatment of effluent in order to achieve the norms prescribed under the provisions of Environment (Protection) Rules, 1986. The process of dilution with fresh water cannot be allowed.

2- Unit has not complied with the suggestions for achieving Zero Liquid Discharge made by Joint Committee constituted by Hon'ble National Green Tribunal.

3- The proposal to achieve the norms for SAR by increasing the dosing rate of $MgSO_4$ shall put additional load on river Bagadh in terms of TDS concentration and hence the proposal is not acceptable."

The Company preferred separate appeals under Section 28 of the Water Act and Section 31 of the Air Act on February 26, 2020 before the Special Secretary, Environment, Department of Environment, UP, (Special Secretary) - the Appellate Authority notified under the Acts. The Appeals preferred by the Company have not yet been considered by the Special Secretary due to nation-wide lockdown and government priority to deal with Covid-19.

The Company has been legally advised that since the proceedings have been filed but not yet considered by the Special Secretary, it would be premature to comment on the expected outcome of the proceedings before the Special Secretary. However, as per legal opinion, the Company has good merits to put forth a case before the Special Secretary and higher appellate authorities.

The Company continues to incur cash loss of over Rs 10 Million per month, since suspension of its operations on October 26, 2019. In the event, the company is not able to obtain consent to operate, it will have no option but to close its operations at the current facility. Moreover, the operations can become commercially viable only after the implementation of LPG project, also refer note 26(d). The relocation of the manufacturing facility to another site is not financially viable, given the cost of relocation and intense competition in the market place.

The Company's resumption of operations depends on the outcome of the ongoing proceedings. This condition indicates the existence of an uncertainty that may cast significant doubt on the Company's ability to continue as a going concern and there is a possibility that the Company may be unable to continue realizing its assets and discharging its liabilities in the normal course of business. Considering presently available funds and evaluation of future cash flows, the financial statements have been prepared assuming that the Company will continue as a going concern. The financial statements do not include any adjustments to reflect possible future effects on the recoverability and classification of assets or the amount and classification of liabilities that might result from the outcome of this uncertainty.

Further in view of the fact that operations of the Company are suspended since October 26 2019 as mentioned above, there is no major impact of the Country wide lockdown announced from March 25, 2020 due to Covid-19 pandemic on operations of the Company.

Note 34 : Changes in accounting policies

This note explains the impact of the adoption of Ind AS 116 on the Company's financial statements.

Impact on the financial statements – lessee accounting

As indicated in Note 1(a)(iii), the Company has adopted Ind AS 116 retrospectively from April 1, 2020, but has not restated comparatives for year ended March 31, 2019, as permitted under the specific transition provisions in the standard. The reclassification and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on April 1, 2019. The new accounting policies are disclosed in Note 1(h).

For leases previously classified as finance leases the entity recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right of use asset and the lease liability at the date of initial application. The measurement principles of Ind AS 116 are only applied after that date.

(i) Practical expedients applied

In applying Ind AS 116 for the first time, the Company has used the following practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonably similar characterstics
- relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review - there were no onerous contracts as at April 1, 2019

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

- accounting for operating leases with a remaining lease term of less than 12 months as at April 1, 2019 as short-term leases, and
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Company has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Company relied on its assessment made applying Ind AS 17 and Appendix C to Ind AS 17, Determining whether an Arrangement contains a Lease.

(ii) Measurement of lease liabilities

Finance lease liabilities recognised as at 31 March 2019	92
Lease liability recognised as at 1 April 2019	**92**
Of which are:	
Current lease liabilities	-
Non-current lease liabilities	92
	92

(iii) Measurement of right-of-use assets

The associated right-of-use assets for property leases were measured on a retrospective basis as if the new rules had always been applied.

Adjustments recognised in the balance sheet on 1 April 2019

The change in accounting policy affected the following items in the balance sheet on 1 April 2019:

- property, plant and equipment – decrease by Rs 12,776 ('000)
- accumulated depreciation (property, plant and equipment) - decrease by Rs 588 ('000)
- right-of-use assets – increase by Rs 12,776 ('000)
- accumulated depreciation (right-of-use assets)- increase by Rs 588 ('000)
- borrowings – decrease by Rs. 92 ('000)
- lease liabilities – increase by Rs. 92 ('000)
- The net impact on retained earnings on 1 April 2019 was Nil.

Note 35:

Consequent to the amendments in schedule III to Companies Act, 2013, presentation of financial statements is amended to comply with new requirements.

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

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

Place : Gurugram, Haryana
Date : June 23, 2020

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

Sd/-
Sonia Prashar
Director
DIN: 06477222

Sd/-
Brijesh Arora
Managing Director
DIN: 00952523

Sd/-
Shivangi Negi
Chief Financial Officer

Sd/-
Swati Surhatia
Company Secretary

Place : New Delhi
Date : June 23, 2020

INSILCO LIMITED
"The Corenthum"
Office # 2312, 3rd Floor, 2nd Lobe, Tower A, A-41,
Sector - 62, Noida 201309, Uttar Pradesh, India