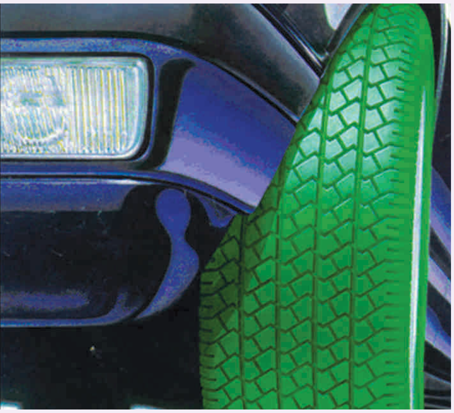
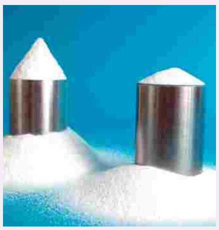
EVONIK
POWER TO CREATE


31st Annual Report 2018-19




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. 27 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 12 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. 32 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 31 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. 1^{st} 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. 23 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. 22 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

Mr. Sarvesh Kumar Upadhyay

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

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

Ref : Letters dated 14th July 2018, 4th September 2018 and 24th October 2018

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.

The Company is thankful to the shareholders who have updated their records. However, there are shareholders who are yet to update the same and they are requested to send duly filled and signed form as per format given below to our registrar MCS Share Transfer Agent Limited at earliest.

Please also provide your Email Id, Phone / Mobile No. for record as well as for us to send to you communication by electronic means in accordance with various circulars issued by the Ministry of Corporate Affairs from time to time.

Transfer of securities only in Dematerialsed mode w.e.f. April 1, 2019

Further, we would also like to inform you that SEBI has recently amended relevant provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 to disallow listed companies from accepting request for transfer of securities, which are held in physical form with effect from 31st March 2019 (extended date from 5th December 2018). The shareholders who continue to hold equity shares of the Company in physical form after this date, 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. An early action in the matter will save you from unnecessary hassle at a later date.

In case if you have already updated your PAN & Bank Details and hold shares in demat form, please ignore this information.

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
Web : www.insilcoindia.com,
CIN : L34102UP1988PLC010141

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 31st Annual General Meeting (AGM) of Insilco Limited will be held at the Registered Office of the Company as under:

Day & Date : Friday, 13th September 2019
Time : 11:00 A.M.
Venue : Insilco Limited
A-5, UPSIDC Industrial Area
Bhartiagram, Gajraula - 244223
Uttar Pradesh

to transact the following business: -

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March 2019 and the Profit & Loss Account for the year ended on that date along with the Reports of the Directors and Auditor thereon.
2. To appoint a Director in place of Mr. Brijesh Arora (DIN: 00952523), who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS

3. **Approval of remuneration of Mr. Brijesh Arora – Managing Director (DIN: 00952523)**

   To consider and if thought fit, to pass the following Resolution as a **Special Resolution**:

   "RESOLVED THAT subject to the provisions of Section 196 and 197 read with Schedule V of the Companies Act, 2013, rules made thereunder and other applicable provisions of the Companies Act, 2013 and Articles of Association of the Company and all other applicable provisions, if any of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), approval of the Shareholders of the Company be and are hereby accorded to pay remuneration not exceeding Rs. 9,600,000/- per annum w.e.f. 4th August, 2019 for balance term of 2 years of Mr. Brijesh Arora as Managing Director including perquisites and in the breakup as may be decided by the Board which will be reviewed annually with effect from 1st April, 2020 onwards.

   RESOLVED FURTHER THAT the said remuneration shall be payable to Mr. Brijesh Arora irrespective of the fact whether the Company has earned any profit or not i.e. this remuneration shall be payable even in the event of inadequacy or absence of profits.

   RESOLVED FURHER THAT the Board of Directors of the Company be and are hereby authorised to take all such action as may be necessary in this regard and considered necessary to give effect to the aforesaid resolution."

By Order of the Board

Sd/-
Sarvesh Kumar Upadhyay
Company Secretary

Place : Noida
Date : 20th May 2019

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY, OR, WHERE THAT IS ALLOWED, ONE OR MORE PROXIES, TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. A proxy shall not have right to speak at AGM and shall not be entitled to vote except on poll.
3. A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Provided that a member holding more than ten percent, of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or Shareholder.
4. Proxies in order to be effective must be received at the Company's Registered Office at A-5, UPSIDC Industrial Estate, Bhartiagram, Gajraula-244223, Uttar Pradesh not less than 48 hours before the time fixed for the meeting or adjourned meeting at which the person named in the instrument proposes to vote. Proxies submitted on behalf of limited companies, societies, partnership firms, etc. must be supported by appropriate resolution / authority as applicable, issued on behalf of the appointing organisation. A form of Proxy and admission slip is enclosed. Shareholders are requested to bring their copy of the Annual Report to the Meeting.
5. Admission restricted to members or proxies only. Members / Proxy holders are requested to produce their admission slips at the entrance of the meeting hall.

6. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy verification of attendance at the Meeting.

7. The Register of Members and share transfer books of the Company will remain closed for a period of 12 days from 2nd September 2019 to 13th September 2019 (both days inclusive) in terms of Section 91 of the Companies Act, 2013.

8. Members are requested to send their queries, if any, to reach the Company's Registered Office at least 10 days before the date of the meeting so that information can be made available at the meeting.

9. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of businesses at item no. 3 is enclosed.

10. Voting through Electronic means

I. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 31st AGM by Electronic means and business may be transacted through e-voting services provided by Central Depository Services (India) Limited (CDSL):

The Instructions of e-voting are as under:

i) Log on to the e-voting website www.evotingindia.com.

ii) Click on Shareholders/Members

iii) Now, fill up the following details in the appropriate boxes:

	For Members holding shares in Demat Form	**For Members holding shares in Physical Form**
User ID	For NSDL: 8 Character DP ID followed by 8 Digits Client ID For CDSL: 16 digits beneficiary ID	Folio Number registered with the Company

iv) Enter the image verification as displayed and click on Login.

v) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.

vi) If you are first time user, follow the steps given below:

PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders). Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.
Bank detail or date of birth	Enter the bank details or date of birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company's record in order to login. If both the details are not recorded with the depository or company please enter the member ID / folio number in the Bank details field as mentioned in instruction (iii).

vii) After entering these details appropriately, click on "SUBMIT" tab.

viii) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

x) Click on the relevant EVSN on which you choose to vote.

xi) On the voting page, you will see "Resolution Description" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

xii) Click on the "Resolutions File Link" if you wish to view the entire Resolution details.

xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

xv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

xvi) If Demat account holder has forgotten the changed login password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

xvii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

xviii) Note for Non-Individual Shareholders & Custodians:

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
- After receiving the login details they should create compliance user using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote.
- The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.

xx) The voting period begins on 10th September 2019 (9.00 a.m.) and ends on 12th September 2019 (5.00 p.m.). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 7th September 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

xxi) The voting rights of shareholders shall be in proportion of their shares of the paid up equity share capital of the Company as on cut–off date (record date) of 7th September 2019.

xxii) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. 7th September 2019 may follow the same instructions as mentioned above for e-Voting.

xxiii) Mr. Nityanand Singh, Proprietor of M/s. Nityanand Singh & Co., Practicing Company Secretary has been appointed as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

xxiv) The Scrutinizer shall immediately after the conclusion of voting at the AGM first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in employment of the Company and make, not later than three days of conclusion of the meeting, a consolidated scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall declare the results of the voting forthwith.

xxv) The results declared along with the report of the scrutinizer shall be placed on the website of the Company www.insilcoindia.com and on the website of CDSL e-Voting immediately after the result is declared by the Chairman. The Company shall also simultaneously forward the results to the Bombay Stock Exchange where the equity shares of the Company are listed.

11. Members can also download the notice of AGM from the website of the Company i.e. www.insilcoindia.com.

12. Copy of Annual Report 2019 and the notice of 31st AGM are being sent by electronic mode to all members whose email addresses are registered with the Company/Depository Participant(s) unless a member has requested for a hard copy of the same. For members who have not registered their email addresses, physical copies of the Annual Report 2019 and Notice of 31st AGM are being sent by the permitted mode.

13. The Company is concerned about the environment and utilizes natural resources in a sustainable way. We request you to update your email address with your

Depository Participant to enable us to send you any future communications from the Company via email.

14. 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.

15. Copies of all documents referred to in the Notice, if any, are available for inspection at the Registered Office of the Company during normal business hours (8.30 a.m. to 5.30 p.m.) on all working days till the date of the AGM.

16. Members are requested to visit the website of the Company www.insilcoindia.com or website of Bombay Stock Exchange i.e. www.bseindia.com for viewing the quarterly and annual financial results and for more information about the Company.

17. The route map to reach the venue of the Annual General Meeting is also given in the Annual Report for the ready reference of the Members.

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

Item No. 3: Approval of remuneration of Mr. Brijesh Arora – Managing Director (DIN: 00952523)

The shareholders are hereby informed that pursuant to the provisions of Section 196 and 197 read with schedule V and any other applicable provisions of the Companies Act, 2013, Mr. Brijesh Arora was appointed as Managing Director of the Company for 5 years effective from 4th August 2016 at a remuneration not exceeding Rs. 84 lacs per annum. Pursuant to applicable provisions of the Companies Act, 2013, such approval of remuneration was valid for 3 years only starting from 4th August 2016 i.e. until 3rd August 2019. In view of the same, it is proposed to approve the remuneration of Mr. Brijesh Arora for balance term of 2 years w.e.f. 4th August 2019. Accordingly, pursuant to the provisions of the Companies Act, 2013 read with rules made thereunder, it is proposed to approve remuneration of not exceeding Rs. 9,600,000/- for 2 years starting from 4th August 2019 to be payable in the breakup as may be decided by the Board.

The members are also informed that Mr. Brijesh Arora was not having any direct or indirect interest in the capital of Company or Evonik Degussa GmbH at any time during his employment with the Company. Mr. Brijesh Arora neither holds any other directorship nor he is a member or chairman of any committee in any other Company.

The members may note that the Nomination and Remuneration Committee and Board of Directors in their respective meetings held on 20th May 2019, had approved the aforesaid proposed remuneration of Mr. Brijesh Arora as Managing Director with effect from 4th August, 2019 for 2 years subject to approval from shareholders of the Company by way of Special Resolution.

The members are requested to kindly refer to **Annexure A** of the notice for Statement of information as required under Section II of part II of schedule V to the Companies Act, 2013.

The Board of Directors considers that in view of the background and experience of Mr. Brijesh Arora, it would be in the interest of the Company to approve aforesaid proposed remuneration.

The Board recommends the resolution at item no. 3 for approval by the shareholders by way of Special Resolution. None of the Directors, Manager, Key Managerial Personnel & their relatives, except Mr. Brijesh Arora, are concerned or interested, financial or otherwise, in this resolution.

Annexure – A

Statement of Information under Section II of Part II of Schedule V to the Companies Act, 2013 as a part of explanatory statement to item no. 3:

S. No.	Particulars	Information
I.		**General Information**
1	Nature of Industry	Manufacturing of Precipitated Silica
2	Date of commencement of commercial production	1st January, 1993
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable as the Company is an existing Company.
4	Financial performance based on given indicators	See table below
5	Foreign investments or collaborators	The Company has not made any investment outside India. The Company is a subsidiary of Evonik Degussa GmbH, Germany, which holds 73.11% in the equity share capital of the Company. The Equity Shares of the Company are listed at Bombay Stock Exchange, Mumbai and as on 31st March, 2019 the total foreign equity share holding (including shareholding of holding Company) in the Company was 73.59%. The Company also has Technical Assistance Agreement with Evonik Degussa GmbH and License Agreement with Evonik IP GmbH.

Rs. in ’000 except EPS

PARTICULARS	Year ended 31.03.2019	Year ended 31.03.2018
Gross Turnover	951,469	888,037
Other Income	40,473	39,770
Total Expenditure (including excise duty)	(1,028,469)	(908,222)
Profit/(Loss) before Depreciation & Exceptional Items	(36,527)	19,585
Depreciation	(24,643)	(19,165)
Profit/ (Loss) for the year before exceptional items	(61,170)	420
Exceptional items	-	-
Profit/(Loss) before tax	(61,170)	420
(Provision for)/Release of Taxation	765	3,223
Profit/(Loss) after tax	(60,405)	3,643
Other Comprehensive income	(2,410)	1,647
Total comprehensive income for the year	(62,815)	5,290
Earning Per Share (EPS)	(0.96)	0.06
Dividend Rate (in %)	-	-

II.		Information about the Appointee
1	Background details	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. 27 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 12 years at different senior leadership positions. Before appointment as Managing Director, Mr. Brijesh Arora was positioned as Whole-time Director designated as Joint Managing Director of the Company with effect from 1st March 2015. Mr. Arora is currently designated as Managing Director and at this position he was appointed w.e.f. 4th August 2016 for 5 years.
2	Past Remuneration	Mr. Brijesh Arora was entitled for following remuneration as on the date of approval of the Notice of 31st AGM (a) Rs. 72,93,096/- per annum; and (b) As per policy of the Company, Mr. Brijesh Arora was also eligible for • Performance Pay/Bonus for Insilco Management Team as per criteria determined by Board or at the discretion of the Board. • Leave Encashment as per rules of the company. • Hard furnishing scheme as per rules of the company with entitlement upto Rs. 5.00 Lacs during the tenure of service (including Hard furnishing availed prior to appointment as director). • Long Service Award as per rules of the company. - Payable after completion of 20 years of continuous service equivalent to 3 months basic salary at that time. • Coverage under Group Personal Accident Insurance Policy as per rules of the Company. • Coverage under Group Mediclaim Family Floater Policy as per rules of the Company. • Use of Company owned & maintained Car. • Continuation of existing housing loan interest subsidy (loan availed before appointment as director) as per rules of the company. • Group Saving Linked Insurance as per rules of the company. • Retirement Benefits as per the applicable laws and rules/policies of the company in this regard.
3	Recognition or awards	Letter of Recognition for optimization of Investments in Insilco Ltd.
4	Job profile and his suitability	As a Managing Director, Mr. Brijesh Arora is responsible for overall supervision and control of operations of the Company and to take all kinds of decision for business operations. Mr. Brijesh Arora has rich and versatile experience of approx. 27 years and knowledge about the Chemical industry and adequate professional qualifications. He has served the Company at senior leadership positions in Business Management, Finance, Accounts, Controlling, Legal and Compliances and also contributed to strategy and operations of the Company during his tenure of more than 12 years. The Board of Directors considers that in view of the background and experience of Mr. Brijesh Arora, it would be in the interest of the Company to approve the remuneration proposed.

5	Remuneration proposed	As stipulated in Special Resolution at item no. 3 of the notice.
6	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details should be w.r.t. the country of his origin)	For the responsibilities shouldered by Mr. Brijesh Arora as Managing Director of the Company, the remuneration of Mr. Brijesh Arora compares favourably with the remuneration paid to Managing Directors of Companies in similar industry, like sized and similarly positioned businesses.
7	Pecuniary relationship directly or indirectly with the Company or Relationship with the managerial personnel, if any	Mr. Brijesh Arora does not have, directly or indirectly, any pecuniary relationship with the Company, except in his position as Managing Director of the Company. Mr. Brijesh Arora does not have any relationship with any managerial personnel of the Company.
III.		**Other Information**
1	Reasons of loss or inadequate profits	Increasing cost of raw materials, power and fuel has affected the performance of the Company.
2	Steps taken or proposed to be taken for improvement	The Company continues to strive for growth, higher realisations, energy optimization, better working capital management and better asset utilization. The Company is actively pursuing growth opportunities and looking at areas to reduce its cost of production. The Company is evaluating plans to have optimum utilization of the production capacity and to improve its product mix. The Board had approved installation of LPG Project to reduce the energy costs which is expected to be implemented by the end of the calendar year 2019 subject to necessary government approvals. The Company is also pursuing all growth opportunities so as to improve the results.
3	Expected increase in productivity and profits in measurable terms	The top line is expected to increase.
IV.		**Disclosures**
1	The shareholders of the Company shall be informed of the remuneration package of the managerial person	As stipulated in Special Resolution at item no. 3 of the notice.
2	Other Disclosures	The Corporate Governance report which forms part of the Directors' Report contains the disclosures required to be mentioned therein.

By the order of the Board

Sd/-
Sarvesh Kumar Upadhyay
Company Secretary

Place : Noida
Date : 20th May 2019

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 31st Annual Report together with the Audited Accounts for the Financial Year ended March 31, 2019.

1. ANNUAL RETURN

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

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

The Board duly met 4 times in the Financial Year 2018-19 on 28th May 2018, 24th July 2018, 12th November 2018 and 1st February 2019. The attendance of the Directors in the Board meetings is given in clause no. 2.3(C) of Corporate Governance Report.

3. 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;

(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.

4. 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. 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: https://www.insilcoindia.com —> Investors —> Nomination and Remuneration Policy.

5. SECRETARIAL AUDIT

Nityanand Singh & Co. a firm of 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 2018-19. The Secretarial Audit Report issued by the said firm is attached to this report as **Annexure-1.**

6. 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 reports of Statutory Auditor and Secretarial Auditor do not contain any qualifications, reservations, adverse remarks or disclaimers.

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.

7. 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.

8. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

Pursuant to Section 188(1) of the Companies Act, 2013, particulars of contracts or arrangements with related parties are given in form AOC 2 which is attached as **Annexure-2** to this report.

Pursuant to the provisions of the Companies Act, 2013 and Clause 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: https://www.insilcoindia.com —> Investors —> Related party Transaction Policy.

9. 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 31.03.2019	Year Ended 31.03.2018
Gross Turnover	951.47	888.04
Less: Excise duty	-	(22.20)
Turnover (net of excise duty)	951.47	865.84
Other Income	40.47	39.77
Total Expenditure (excluding excise duty)	(1,028.47)	(886.02)
Profit/(Loss) before Depreciation & Exceptional Items	(36.53)	19.59
Depreciation	(24.64)	(19.17)
Profit/ (Loss) for the year before exceptional items	(61.17)	0.42
Exceptional items	-	-
Profit/(Loss) before tax	(61.17)	0.42
(Provision for)/Release of Taxation	0.77	3.22
Profit/(Loss) after tax	(60.40)	3.64
Other comprehensive income	(2.41)	1.65
Total comprehensive income for the year	(62.81)	5.30

B. Results of Operations

Sales of Precipitated Silica during the year were 16,537 MT (previous year 15,207 MT). The Production during the year was 16,946 MT (previous year 14,857 MT).

Your Company achieved a sales turnover of Rs. 951 million during the year as compared to Rs. 888 million in the previous year. The Company recorded a loss before depreciation and exceptional items of Rs. 36.53 million as compared to profit before depreciation and exceptional items of Rs. 19.59 million in the previous Financial Year. The Company had reserves of Rs. 385 Million as on 1st April 2018. The total comprehensive income / (loss) for the Financial Year 2018-19 was Rs. (63) Million.

The cost of raw material and fuel have increased significantly during the year. We are only able to partially pass on the increase in costs to customers and lost few customers in this process. However, there are several quality conscious customers continue to value our quality products, value added services and strong technical support from parent company. The Company is endeavoring to put all efforts to improve its operational performance. However, there are lot of challenges in the competitive market situation. We continue to make our best efforts, with the support of parent company, to optimize energy utilization, manufacture high quality products, improve plant safety, improve efficiency and higher capacity utilization. We are providing quality products, strong technical support and overall service to the Customers.

C. Future Outlook

During the financial year 2018-19, there has been lot of uncertainty all over the world due to global trade war and protectionism. The uncertainty leads to many challenges and opportunities. There were made structural changes in the indirect tax system by the introduction of Goods and Service Tax (GST) with effect from 1st July 2017. The financial year 2018-19 is the first complete year with the annual impact of these structural changes.

The cost of production of your company is high as compared to competitors as it is dependent on diesel as fuel which is very expensive and incurring significant expense in treating the effluent before discharging it. The Board of directors has already approved the installation of "Propane LPG" to reduce energy cost. The company has already obtained approvals from most of the statutory authorities for the installation of a "Propane LPG project" and it is in the process of obtaining approval from few other government authorities for the same. Besides this, the company is pursuing options to improve its operational performance. The Company is actively trying its best to maintain and increase the customer base. However, the customer retention is a big challenge considering competitive market situation. The future growth of the Company will depend upon our ability to optimize our costs by making our products more competitive, increasing capacity utilization, optimal product mix, efficiency improvement and the willingness of customers to pay a premium for our high quality products. There are inherent opportunities available for the Company in the target industries such as Tyres, Automotive Components, Mechanical Rubber Goods, Footwear, Battery Separators, Agrochemicals, Food and Feed. The Company is continuously improving the plant conditions to ensure the safety of its employees and the environment. The Company is actively pushing growth opportunities to use the unutilized production capacity and improve product mix.

Others

- Capital Expenditure proposed in next financial year is expected to be for Propane LPG Project, replacement of boiler and chimney, water recovery system etc. Our parent Company Evonik is providing technical support wherever required.
- During the financial year 2018-19, the availability of raw materials, water and power supply remained normal.

10. TRANSFER TO RESERVES

The Company had reserves of Rs. 385 Million as on 1st April 2018. The total comprehensive income / (loss) for the Financial Year 2018-19 was Rs. (63) Million. Therefore, the closing balance of the reserves and surplus as on 31st March 2019 amounted to Rs. 322 Million.

11. DIVIDEND

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

12. 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

The Company has paid a maitainanace charges alongwith interest of Rs. 92.20 Lacs on 1st May 2019 relating to the period from 1st September 2015 to 30th June 2018 to Uttar Pradesh State Industrial Development Corporation (UPSIDC).

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 Rs. 90.47 lakhs 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 revised demand included principal and interest on maintenance charges from September 1, 2015, to June 30, 2018. On May 1, 2019, Insilco paid such revised demand of Rs. 92.20 lakhs approximately including principal and interest on Maintenance Charges. Further, provision of Rs. 49.16 lakhs for maintenance charges for the period July 2018 to March 2019 has been created in the books of accounts.

Apart from above, 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.

13. 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. Day to day minor steps are being taken for energy consumption, wherever possible. Few major activities are listed herein below:

- 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 in its manufacturing process. The company has already obtained approvals from most of the statutory authorities for the installation of a “Propane LPG project” and it is in the process of obtaining approval from few other government authorities for the same.

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 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 2019	Year ended 31st March 2018
a) Total Foreign Exchange earned	24,519	8,671
b) Total Foreign Exchange used	13,552	10,104

14. 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 more stringent norms are introduced by government for chemical industries near the Ganga River.

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

The Board had last discussed the status update on this in its meeting dated 1st February 2018. In this regard, the shareholders are hereby informed that after evaluation by Evonik, Germany, installation of propane-LPG system was earlier approved by the Board of Insilco. The company has already obtained approvals from most of the statutory authorities for the installation of "Propane LPG project" and it is in the process of obtaining approval from few other government authorities for the same. It is expected that it would be implemented by the end of the calendar year 2019 subject to necessary government approvals.

The Company is also continuing a system of tracking of raw material cost of its major vendors to correlate the prices of the Company's purchases with them.

(iii) Environmental Risk if more stringent norms are introduced by government for the chemical industry near the Ganga River

We are presently complying with all the existing pollution control norms and water/air consent conditions.

The introduction of any new more stringent norms, if any, is beyond the control of the company and it is impossible to comment on likely impact or mitigation measure at this stage for these risks.

In this regard, the shareholders are hereby informed about the following:

NGT Matter

The Hon'ble National Green Tribunal (NGT) has passed its detailed judgement dated 13th July 2017 in the mater of M.C. Mehta Vs. Union of India (Original Application No. 200/2014).

Insilco Limited is complying with the current applicable pollution norms. However, pollution authorities may come up with fresh requirements of compliance, which will have to be examined and considered, if received.

Water and Air Consent

The water/air consent was valid till 31st December 2018 and the Company has applied for renewal of its water and air consent on 3rd October 2018. As on the date of signing of this report, UPPCB has not yet issued the water and air consent. They have asked several information and data in this regard which has been provided and duly replied on merits. Further details on the correspondences with UPPCB in this regard can be found in the below Clause no. 15.

The Board has also approved a Risk Management Policy, which is available on the website of the Company at the following path: http://www.insilcoindia.com/policies.htm .

15. GANGA CLEANING MATTER PENDING IN THE NATIONAL GREEN TRIBUNAL

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

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

For Insilco Limited, the order of NGT dated 26th April 2017 inter-alia stated that *"Instead of treating the effluent, Insilco is adding Magnesium Sulphate and Fresh water in its effluent so that Sodium Absorption Ratio in Bagad River does not exceed 26. This is practically fraud being played".*

NGT asked the industries to come up with future plan for compliance for resuming the operations of units. The matter was scheduled to be heard on 8th May 2017.

The report of committee for its visit of 25th April 2017 was available on 4th May 2017 on the website of Central Pollution Control Board 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 4th May 2017, Insilco Limited filed its detailed reply in NGT on 5th May 2017 including 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 8th May 2017. The Company pleaded that recommendations with regard to ZLD is not practical for Insilco's plant and pollution authority should prescribe some appropriate method. After the hearing, the Plant of the Company was allowed to resume operations subject to following directions:

1. The industry would pay a sum of INR 1.5 Million voluntarily.
2. The industry will comply with all the recommendations and directions of the report immediately.
3. With respect to ZLD and whether the dilution of 1:1 should be permitted, Insilco 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 Insilco.
6. The inspection Report should be submitted before the Tribunal within two weeks from the date of order (i.e. 8th May 2017).

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

Insilco deposited INR 1.5 Million on 9th May 2017 with Central Pollution Control Board (CPCB) and restarted its production thereafter.

The Committee visited the plant of Insilco on 23rd May 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, records of NGT was inspected for such report through our consultant AZB & Partners, however no such report was filed with NGT. The Company has also filed Caveat so that advance intimation to Insilco should be given before passing any adverse order.

FINAL JUDGEMENT OF NGT

On 13th July 2017, NGT pronounced its detailed judgement in this matter where it has given certain specific directions with respect to Bagad River (drain) and General Directions to Industries at Gajraula and pollution authorities, 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. Insilco has taken following proactive measures:

- Filed caveat with NGT for giving us opportunity of being heard if report is filed by Committee.
- Obtained the NOC from CGWA for abstraction of 4900 KLD for 340 days (and not exceeding 16,73,500 M3/year) 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 has received final draft report of IIT-Roorkee in November 2018, which has been shared with UPPCB vide Company's letter dated 4th December 2018. The Company has vide its aforesaid letter dated 4th December 2018 and reminder letter dated 2nd January 2019 requested UPPCB for meeting as professors of IIT Roorkee wanted to meet UPPCB to discuss the report before issuing final report. The Company has not received any reply on the same from UPPCB.

There have been few developments/ correspondences with pollution authorities/IIT-R, which are as follows:

1. Insilco had received a letter from Central Pollution Control Board on 25th Nov 2017, based on inspection of special high power committee (Committee), asking for appropriate reason/ clarification about high Total Dissolve Solids (TDS) effluent discharge. Insilco had replied to the said letter that we were complying with the conditions under issued water consent order by

UPPCB. We had further mentioned that no TDS level for the effluent discharge has been prescribed for the unit of Insilco and instead Insilco's unit is required to maintain Sodium Absorption Ratio (SAR) limit which was being complied with along with all other conditions of water consent issued by UPPCB.

We had also share the steps taken to improve Insilco's infrastructure.

2. Insilco had received a letter dated 12th January 2018 from UPPCB intimating us various recommendations of Committee which had inspected our factory at Gajraula on 23rd May 2017 pursuant to the order of Hon'ble National Green Tribunal (NGT) dated 8th May 2017.

Such recommendations in brief are 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.

We have replied to the said letter vide our letter dated 19th January 2018. Point wise **summary** of reply was as follows:

I & II. Insilco Limited 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.

We also explained to UPPCB that SAR was imposed on the unit of Insilco pursuant to the order of Hon'ble Supreme Court of India, which our Company has been complying along with other applicable pollution norms and consent.

III. We had mentioned that Insilco 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. We have requested UPPCB, that, if required, they can collect the sample again which could be sent to testing to any independent agency or IIT Roorkee.

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

V. We had mentioned that Insilco Limited 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.

We had further explained to UPPCB that on our industry ZLD cannot be achieved and the reasons of the same given were as follows:

- Central Pollution Control Board's (CPCB's) in one of its guideline 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. We 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.
- Insilco Limited was not in the list of 17 categories of highly / seriously polluting industries identified by CPCB.
- Detailed judgement of Hon'ble NGT dated 13th July 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 NOC from CGWA for Ground Water Abstraction.

We had also shared the steps taken to improve Insilco's infrastructure.

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

4. The Company vide its letter dated 26th April 2018 submitted two interim progress reports to UPPCB alongwith a letter dated 25th January 2018 seeking extension of time till 30th October 2018 (as mentioned in clause 3 above).

5. UPPCB vide its e-mail dated 11th May 2018 has granted its approval for renewal of Air and Water consent. Physical water consent order alongwith detailed conditions were received on 12th June 2018. The said Water Consent is valid from 1st January 2018 to 31st December 2018. One of the specific conditions of the said water consent states 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."

   Insilco had replied to UPPCB against above conditions that it would request IIT, Roorkee to give its view on the recommendations of Joint Inspection Team and Insilco would be able to discuss this further with UPPCB only after receipt of the final report from IIT, Roorkee. Such reply to UPPCB also consisted request for corrections under few other conditions.

6. Officials of Insilco Limited visited IIT-Roorkee on 25th June 2018 and met official of IIT Roorkee. Insilco Limited briefed the specific condition no. 2 of water consent issued to it. Insilco Limited handed over to official of IIT Roorkee a letter and requested them to give its comments on the recommendations of Joint Inspection Team, which was received by Insilco vide letter of UPPCB dated 12th January 2018.

7. Officials of Insilco also visited IIT Roorkee in September 2018 to get the updates on their working on final report. IIT Roorkee assured Insilco to issue the final report by November 2018.

8. After filing of Insilco's application for renewal of Water and Air Consents, UPPCB through its website had raised query that Insilco 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, interalia, 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 Water Consent dated 8th May 2018.

9. In 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 has, interalia, replied and (i) given the compliance status of the issued consent order (ii) shared the draft final report of IIT Roorkee dated 22nd November 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) Pursuant to order of Hon'ble Supreme Court of India dated 28th November 2000, TDS concentration is not applicable on the Company and instead SAR was prescribed for the Company.

10. The Company has received Draft Final Report of IIT Roorkee dated 22nd November 2018. IIT Roorkee has 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 has concluded that technically, first 4 evaluated technologies are not feasible for Insilco's nature of industry. IIT Roorkee has further mentioned that 5th technology i.e. "Electrocoagulation with aluminum 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 replies to the recommendation of Joint Inspection Team which was received by Insilco vide UPPCB's letter dated 12th January 2018.

11. The Company had also sent a reminder to UPPCB dated 2nd January 2019 asking UPPCB to discuss the report with professors before issuing the final report and to renew Company's water and air consent.

12. On 1st May 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 has interalia replied vide its letter dated 6th May 2019 that although ZLD should not be forced on Insilco's nature of Industry, Insilco is already taking necessary steps and willing to

further take all possible steps for becoming ZLD after finding the suitable methodology for ZLD. Insilco has requested UPPCB to grant water consent for 36 months. Insilco has further mentioned that IIT Roorkee requires 18 months approximately to check the feasibility of one of the methodology "Electrocoagulation with aluminum anode and lime addition followed by Nano filtration" and after finding the suitable methodology for ZLD, Insilco will require further 18 months approximately for implementation of the best possible technology as prescribed by IIT Roorkee.

The Board believes that the Company has a strong case in its favour as the Company continues to comply with all the current pollutions norms applicable to it as per consent letter. However, it may be possible that the pollution authorities may come up with fresh requirement(s) for compliance in the conditions of consent letter, which will then have to be examined and considered.

16. 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, 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: https://www.insilcoindia.com —> Investors —> 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.

17. 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.

18. WHISTLE BLOWER POLICY

Pursuant to the provisions of Section 177(10) of the Companies Act, 2013 and Clause 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: https://www.insilcoindia.com —> Investors —> Whistle Blower Policy.

19. 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 the Board held on 20th May 2019. After evaluation, the performances of the Board, its committees and Individual Directors were found upto the mark and was satisfactory.

20. CHANGE IN THE NATURE OF BUSINESS, IF ANY

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

21. DIRECTORS & KEY MANAGERIAL PERSONNEL (KMP)

Change in Directors and KMP

The Shareholders of the Company, in its 30th Annual General Meeting, appointed Mr. Sanjeev Taneja as Director (Non-executive Non-independent) of the Company liable to retire by rotation.

Mr. Sanjeev Taneja has approximately 31 years of rich and versatile experience, which includes extensive experience in the specialty chemicals sector. Mr. Taneja started his career in 1987 as Production & Technical Manager for Degussa A.G., Germany (part of the Evonik Group). Thereafter, he has served various key positions in Evonik. Mr. Taneja is currently 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.

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	-	-

Mr. Dara Phirozeshaw Mehta was appointed as an Independent Director in the 26th Annual General Meeting held in the year 2014 to hold office for a period of 5 consecutive years effective from 1st April 2014 i.e. until 31st March 2019. In terms of Section 149 of the Companies Act, 2013 ('Act'), an Independent Director is eligible for re-appointment on passing of a Special Resolution. Mr. Dara Phirozeshaw Mehta, being eligible and offering himself for re-appointment, was appointed as an Independent Director for a 2nd term of 5 consecutive years with effect from 1st April 2019 by the shareholders in their 30th Annual General Meeting held on 24th July 2018.

In the opinion of the Board, Mr. Dara Phirozeshaw Mehta fulfils the conditions specified under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for his re-appointment as an Independent Director of the Company and is independent of the management. As per the performance evaluation conducted during his 1st term by the Board (excluding Mr. Dara Phirozeshaw Mehta), his performance was satisfactory as an Independent Director of the Company. The Board and its allied Committees have benefitted from his relevant specialization and expertise. Details on his attendance of various Board and Committee Meetings held during the relevant financial year are included in the Corporate Governance Report of the Annual Report.

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.

Ms. Sonia Prashar's (Independent Director) first term of 5 consecutive years is yet to be completed.

Directors retiring by rotation

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Christian Schlossnikl was liable to retire by rotation in the last AGM held on 24th July 2018. Being eligible, he offered himself for reappointment 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, Mr. Brijesh Arora shall retire by rotation at the ensuing AGM of the Company and being eligible offers himself for re-appointment. The Board recommends his re-appointment to the members of the Company in the ensuing AGM.

Statement on declaration given by Independent Directors

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

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: http://www.insilcoindia.com/notes.html.

22. 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 2018-19 was 15.25 : 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 2018 of Director and KMPs are given below in % alongwith current designations i.e. designation as on the date of approval of this report.

Name	Director/KMP	% increase (w.e.f. 1st April 2018)
Mr. Brijesh Arora	Managing Director	7.5%
Ms. Shivangi Negi	KMP (Chief Financial Officer)	16.17%
Mr. Sarvesh Kumar Upadhyay	KMP (Company Secretary)	16.07%

d. **Percentage increase in the median remuneration of employees**

The percentage increase in the median remuneration of employees in the Financial Year 2018-19 was 10.01%.

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

As on 31st March 2019, your Company had 108 permanent employees (excluding trainees) 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 2018-19
Average percentage increase in the salaries of employee other than Managerial Personnel	10.27%
Average percentage increase in salary of Managerial Personnel	7.5%

g. **Policy compliance affirmation**

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

23. 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 2018-19 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 2018-19 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 2018-19 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 2018-19

S. No.	Name (In Alphabetical Order)	Designation (as on 31st March 2019)
1	Mr. Anurag Srivastava	Deputy General Manager – HR & Admin
2	Mr. Ashok Kumar Pandey	Vice President - Procurement & Supply Chain
3	Mr. Brijesh Arora	Managing Director
4	Dr. Madan Gopal Sinha	General Manager - Works & Plant Head

S. No.	Name (In Alphabetical Order)	Designation (as on 31st March 2019)
5	Mr. Manoj Kumar	Deputy General Manager - Information Technology
6	Mr. Pradeep Kumar	Senior Manager – Environment, Safety, Health and Quality (ESHQ)
7	Mr. Rajeev Agarwal	Senior Manager - Controlling
8	Mr. Sandeep Kumar Gupta	Senior Manager – Engineering
9	Mr. Sarvesh Kumar Upadhyay	Company Secretary
10	Ms. Shivangi Negi	Chief Financial Officer

24. 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 about an appeal of PW India firms (including Price Waterhouse & Co Chartered Accountants LLP), before the Securities Appellate Tribunal (SAT). The members are hereby informed that the Securities and Exchange Board of India (SEBI) had announced the outcome (Order) of its enquiry into audit of Satyam Computer Services Limited (Satyam) carried out by one of the Price Waterhouse (PW) India firms (which was undertaken following disclosure in 2009 of a management led fraud) on the 10th of January 2018. The audit of Satyam itself was not carried by Price Waterhouse & Co Chartered Accountants LLP, the auditors of Insilco Limited. SEBI in its Order imposed a restriction on PW Audit firms [including Price Waterhouse & Co Chartered Accountants LLP] from undertaking statutory audit and other certification work for listed companies and intermediaries registered with SEBI for a period of 2 years against which the PW India firms have filed an appeal before the SAT. The SAT, recognizing the legal principle involved vide its Order dated 15th February 2018 has allowed PW India firms to continue statutory audits and other related certification work for its existing clients until March 2019, or until final disposal of the matter by SAT, whichever is earlier. As the quorum in SAT was not complete for hearing the matter in this case, PW preferred an appeal before Hon'ble Supreme Court for extension of the period of interim relief as granted by SAT. The Hon'ble Supreme Court vide its order dated 7th December 2018, inter-alia, mentioned that the interim order that has been passed in these proceedings (by SAT) should continue to operate at least until 31st March 2019 or until the SAT as properly constituted decides the appeal. SAT vide its order dated 4th April 2019 reserved its order and mentioned that interim order that has been passed earlier, will continue to operate till disposal of the appeals.

In view of the above order, our Statutory Auditor is eligible to conduct audit for the financial year 2018-19. Based on legal opinion received by the Statutory Auditor, the Board of Insilco are 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 2020 as SAT 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.

25. COST AUDITOR/MAINTENANCE OF COST RECORDS

Maintenance of Cost Records for the Financial Year 2018-19

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 2018-19, the Company is required to maintain cost records and accordingly such accounts and records are made and maintained. The Board has 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.

Maintenance of Cost Records for the Financial Year 2017-18

The Company was required to maintain cost records for the Financial Year 2017-18. 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 2018. The report/certificate of JSN & Co., was placed before the Board in its meeting dated 24th July 2018.

26. 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 2019		
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.

27. 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.

28. DEPOSITS

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

29. 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.

30. 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".

31. OPERATIONS AT PLANT

During the financial year 2018-19, the plant of the Company at Gajraula remained shut down from 28th January 2019 to 12th February 2019 to carry some preventive maintenance activities. There was sufficient finished goods inventory with the Company to meet sales orders.

32. 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.

33. SOCIAL RESPONSIBILITY

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

34. 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.

35. 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.

36. 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.

37. CERTIFICATIONS AND RECOGNITIONS

Our plant at Gajraula is certified under the Environment Management Standard ISO 14001-2004 and Quality Management Standard ISO 14001-2015 and quality management standard ISO 9001-2015. We have also renewed HALAL & KOSHER certificates during the year for Food Safety Management System. Apart from these, we are also HACCP and FSSAI certified Company for the Food Safety Management System.

38. 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**.

39. 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.

40. COMPLIANCE OF SECRETARIAL STANDARDS

The Company is in compliance with the applicable provisions of Secretarial Standards.

41. MATERIAL CHANGES AND COMMITMENTS EFFECTING THE FINANCIAL POSITION OF THE COMPANY BETWEEN THE END OF THE YEAR AND THE DATE OF THIS REPORT: None

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 results, 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 Degussa GmbH, Germany for continuously providing excellent management, technical and marketing support.

For & on behalf of the Board of
Insilco Limited

Sd/-	**Sd/-**
Dara Phirozeshaw Mehta	**Brijesh Arora**
Chairman of the Board	**Managing Director**
DIN : 00041164	**DIN : 00952523**

Place : **Noida**
Date : **20th May 2019**

Annexure 1

Form No. MR-3

SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31st March 2019

[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, 2019 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, 2019 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 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;
   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

Place : New Delhi
Date : 10.05.2019

Annexure -A

To,
The Members,
INSILCO LIMITED
A 5 UPSIDC INDUSTRIAL AREA
PO BHARTIA GRAM GUJRAULA
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

Place : New Delhi
Date : 10.05.2019

ANNEXURE - 2

Form No. AOC-2

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

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

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

   There was no contract or arrangement or transaction which was not at arm's length.

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

S. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board/Audit Committee Meeting, if any	Amount paid as advances, if any
1	Evonik Resource Efficiency GmbH A subsidiary to holding Company to which Insilco Ltd. is also a Subsidiary (Fellow Subsidiary)	Sales	Ongoing	31,988,340[1]	Audit Committee Meeting – 4th February 2016	Nil

Note :

- Material contracts or arrangement or transaction are taken as per definition given in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- All the related party transactions are also disclosed in the note no. 26 of the notes to financial statements for the year ended 31st March 2019.
- The above transactions from Evonik Resource Efficiency GmbH was also approved by the shareholders of the Company in their meeting held on 26th September 2016.

For & on behalf of the Board of
Insilco Limited

Sd/-	**Sd/-**
Dara Phirozeshaw Mehta	**Brijesh Arora**
Chairman of the Board	**Managing Director**
DIN : 00041164	**DIN : 00952523**

Place : Noida
Date: 20th May 2019

[1] The maximum approved limit by Shareholders is upto Rs. 15 Crores in a financial year.

Annexure 3

CORPORATE GOVERNANCE REPORT FOR THE FINANCIAL YEAR 2018-19

1. CORPORATE GOVERNANCE AND COMPANY'S PHOLOSOPHY 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 in which it deals 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 2019, 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 Directors including 1 (one) Independent Director. The Chairman of the Board is an 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. There is no change in the Board of the Company during the Financial Year 2018-19.

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 committee positions in other Companies as at 31st March 2019.

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 2019 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	6	1	1
Mr. Brijesh Arora	00952523	Executive	Managing Director	Nil	Nil	Nil
Mr. Christian Schlossnikl	07557639	Non-Executive, Non-Independent	Director	1	Nil	Nil
Mr. Sanjeev Taneja	08055630	Non-Executive, Non-Independent	Director	3	Nil	Nil
Ms. Meng Tang	07012101	Non-Executive, Non-Independent (Woman)	Director	1	Nil	Nil
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
Mr. Dara Phirozeshaw Mehta	Goa Carbon Limited	Independent Director

None of other directors of the Company is director in any other listed entity as on March 31, 2019.

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 2018-19

Four(4) Board Meetings were held during the Financial Year ended 31st March 2019. 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 2018-19 are as under:

S. No.	Date	Board Strength	No. of Directors Present
1	28th May 2018	6	5
2	24th July 2018	6	5
3	12th November 2018	6	4
4	1st February 2019	6	5

C. ATTENDANCE OF DIRECTORS AT BOARD MEETINGS HELD DURING THE FINANCIAL YEAR 2018-2019 AND AT THE 30TH ANNUAL GENERAL MEETING (AGM)

Name of the Director	Attendance		Whether Attended last AGM held on 24thJuly 2018
	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	3	No
Mr. Sanjeev Taneja	4	3	Yes
Ms. Meng Tang	4	1	Yes
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 2019. 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.The Company has appointed Mr. Sarvesh Kumar Upadhyay, Company Secretary of the Company as Compliance Officer under the said regulations.

F. INTER-SE RELATIONONSHIP 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 and those actually available with the board 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 in its meeting dated 1st February 2019 has noted that it has aforesaid skills/ expertise/ competencies as required to function it effectively.

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 givenat the following web link of the Company: https://www.insilcoindia.com/Pdf/Details%20-Familiarization%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 2018-19 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 2019**

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, debentureholders, 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.

B. Composition

As on 31st March 2019, 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 2019 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 30th Annual General Meeting of the Company held on 24thJuly 2018 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 2018-19

4 (Four) Audit Committee Meetings were held during the Financial Year ended 31st March 2019.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	28th May 2018	3	3
2	24th July 2018	3	3
3	12th November 2018	3	2
4	1st February 2019	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 2018-19:

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 2019

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. 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 2019, 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 2019 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. Sanjeev Taneja	Non-Executive, Non-Independent	Member

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

C. Meetings and Attendance

There was no Nomination and Remuneration Committee Meeting required to be held during the Financial Year ended 31st March 2019.

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 2018-19 is as under:

(Amount in Rs.)

Salaries	Benefits	Performance linked Incentive/Bonus*	Retirement Benefits**	Perquisites***	Total
35,43,600	2,260,620	980,451	929,592	80,462	7,794,725
35,43,600	**2,260,620**	**980,451**	**929,592**	**80,462**	**7,794,725**

Note:

* At the beginning of the financial year 2018-19, the opening balance of the performance linked incentive/bonus was Rs. 206,560/-. During the financial year 2018-19, the Company made a provision for Rs. 1,019,003/- as performance linked incentive/bonus. The Board approved Rs. 980,451/- as performance linked incentive/bonus to Mr. Brijesh Arora till 31st December 2018 which was paid to Mr. Brijesh Arora in April 2019. Accordingly, the total provision for performance linked incentive/bonus as on 31st March 2019 was Rs. 245,112/- which is still pending. 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, fixed cost and capital expenditure

(iii) Leadership & Human Resource

(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 2019.

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 2018-19 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	NIL	**400,000**
Ms. Sonia Prashar	160,000	120,000	N.A.	NIL	**280,000**

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

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

E. Employee Stock Option Scheme

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

F. Performance Evaluation Criteria for Independent Directors

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

3.3 STAKEHOLDERS' RELATIONSHIP COMMITTEE

A. Terms of Reference

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

B. Composition

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

As on 31st March 2019, the composition of the Stakeholders' Relationship Committee was as follows:

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

C. Meetings and Attendance

4 (Four) Stakeholders' Relationship Committee Meetings were held during the Financial Year ended 31st March 2019. 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	28th May 2018	3	3
2	24th July 2018	3	3
3	12th November 2018	3	2
4	1st February 2019	3	3

D. Attendance at Stakeholders' Relationship Committee Meetings held during the Financial Year 2018-2019:

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

Mr. Sarvesh Kumar Upadhyay, Company Secretary.

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

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 2018-19 is as follows:

Opening	Received during the F.Y. 2018-19	Resolved during the F.Y. 2018-19	Closing
0	9	9	0

Further, it was also confirmed that all the complaints resolved during the Financial Year 2018-19 are solved 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.

Section 4(3) of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 provides that members shall not hold office for more than three years. Except Mr. Sanjeev Taneja, other members had completed three years during the financial year 2018-19. However, as the Company do not have any other woman employee apart from Ms. Shivangi Negi and Ms. Poonam Jhingan, it was proposed to appoint both of them again as Presiding Officer and Member respectively. For Mr. Brijesh Arora's position, it was proposed to appoint Mr. Sarvesh Kr. Upadhyay – Company Secretary of the Company. Accordingly, this Committee was again reconstituted on 28th May 2018 and Mr. Sarvesh Kumar Upadhyay was inducted as member in the Committee w.e.f. 28th May 2018 in the place of Mr. Brijesh Arora.

As on 31st March 2019, the said Committee consists of the following members:

Name of Members	Designation
Ms. Shivangi Negi	Chairman
Mr. Sanjeev Taneja	Member
Mr. Sarvesh Kumar Upadhyay	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 anytime during the Financial Year 2018-19.

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

The Committee presently comprises of 4(four) Members.

As on 31st March 2019, the committee was consisting the following members:

Name of Members	Designation
Ms. Brijesh Arora, Managing Director	Chairman
Ms. Sonia Prashar, Director	Member
Ms. Shivangi Negi, Chief Financial Officer	Member
Mr. Sarvesh Kumar Upadhyay, Company Secretary	Member

C. Meeting and attendance

The Committee met 24 times during the Financial Year 2018-19. The details are as under:

S.No.	Date	Committee Strength	No. of Members Present
1	11th April 2018	4	3
2	24th April 2018	4	4
3	10th May 2018	4	3
4	22nd May 2018	4	3
5	11th June 2018	4	3
6	22nd June 2018	4	3
7	11th July 2018	4	3
8	26th July 2018	4	3
9	8th August 2018	4	3
10	24th August 2018	4	3
11	7th September 2018	4	3
12	27th September 2018	4	3
13	09th October 2018	4	3
14	25th October 2018	4	3
15	13th November 2018	4	3
16	26th November 2018	4	3
17	12th December 2018	4	3
18	21st December 2018	4	3

19	09th January 2019	4	3
20	29th January 2019	4	3
21	14th February 2019	4	3
22	25th February 2019	4	2
23	05th March 2019	4	3
24	25th March 2019	4	3

D. Attendance at Share Transfer Committee Meetings held during the Financial Year 2018-19:

The Committee strength and no. of members present in the meeting during the Financial Year 2018-19 were as follows:

Name of Members	Attendance	
	No. of Meetings held during the tenure	Meetings Attended
Mr. Brijesh Arora, Chairman	24	24
Ms. Sonia Prashar, Member	24	2
Ms. Shivangi Negi, Member	24	22
Mr. Sarvesh Kumar Upadhyay, Member	24	24

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 2018-19 no meeting was required to be held.

As on 31st March 2019, the committee was consisting the following members:

Name of Members	Designation
Mr. Brijesh Arora, Managing Director	Chairman
Mr. Sarvesh Kumar Upadhyay, Company Secretary	Member
Ms. Shivangi Negi, Chief Financial Officer	Member

4. SUBSIDIARY

The Company does not have any subsidiary.

5. GENERAL BODY MEETINGS

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

General Meeting	Day & Date	Time	Location (Registered Office)	Particulars of Special Resolution passed
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.

29th AGM	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.
28th AGM	Monday, 26th Sept. 2016	10:30 a.m.	A-5, UPSIDC Industrial Estate, Bhartiagram, Gajraula-244223, Uttar Pradesh	Appointment of Mr. Brijesh Arora as Managing Director of the Company for a period of 5 years with effect from 4th August 2016 and fixation of remuneration not exceeding Rs. 8,400,000/- per annum as per breakup of salary/remuneration as decided by the Board

5.1 Disclosures related to Postal Ballot

During the Financial year ended 31st March 2019 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 2020, 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 resultsare 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. 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 2018-19 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 2018-19 regarding all material, financial and commercial transactions where they have a personal interest, which may have a potential conflict with interest of the Company at large, if any.

8. SHAREHOLDERS INFORMATION

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

9. CEO/CFO CERTIFICATION

The Certificate required under Regulation 17 of the Listing Regulations duly signed by Managing Director and Chief Financial Officer has been placed before the Board in its meeting held on 20th May 2019. 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 September 2019
Time	11:00 A.M.
Day	Friday
Venue	A-5, UPSIDC Industrial Area, Bhartiagram, Gajraula-244223, Uttar Pradesh.
Financial Year	The Company follows the period of 1st April to 31st March as the Financial Year.
Book Closure dates	2nd Sept 2019 to 13th Sept 2019
Dividend Payment Dates	No dividend has been recommended for the Financial Year 2018-19.

10.2 Listing on Stock Exchange (With Stock Code)

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

10.3 Listing Fee

Annual Listing fee for the year 2018-2019 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 2018-2019 are given below:

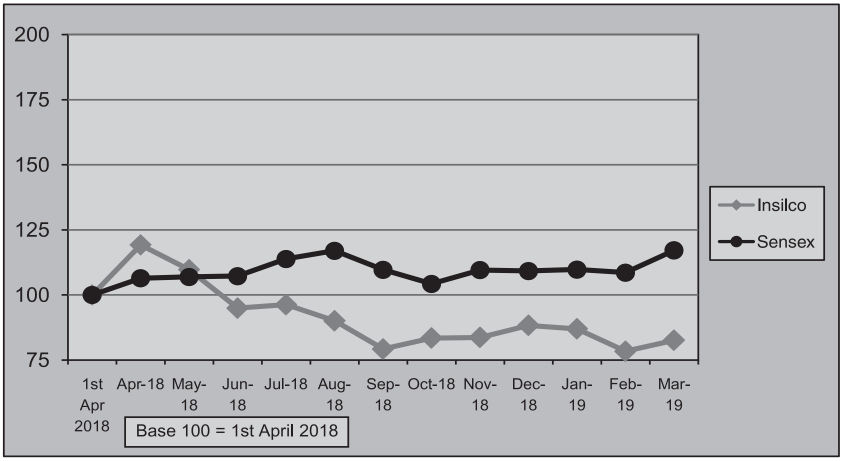
Month	Bombay Stock Exchange			
	Insilco Share Price		BSE Sensex	
	High (Rs.)	Low (Rs.)	High	Low
Apr 2018	28.15	21.80	35,213.30	32,972.56
May 2018	28.75	24.10	35,993.53	34,302.89
Jun 2018	26.65	21.30	35,877.41	34,784.68
Jul 2018	25.00	18.30	37,644.59	35,106.57
Aug 2018	22.85	19.00	38,989.65	37,128.99
Sep 2018	24.00	17.80	38,934.35	35,985.63
Oct 2018	19.95	16.00	36,616.64	33,291.58
Nov 2018	22.00	17.35	36,389.22	34,303.38
Dec 2018	21.95	17.00	36,554.99	34,426.29
Jan 2019	25.00	19.05	36,701.03	35,375.51
Feb 2019	20.25	16.90	37,172.18	35,287.16
Mar 2019	20.45	17.70	38,748.54	35,926.94

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 2018-19 is given in the chart below:

INSILCO Closing Price vs. BSE Sensex Closing April 2018 to March 2019



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 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 2019 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 Degussa GmbH	-	-	45,853,315	73.11	45,853,315	73.11
Others	2,507,777	4.00	14,353,908	22.89	16,861,685	26.89
Total	**2,507,777**	**4.00**	**60,207,223**	**96.00**	**62,715,000**	**100.00**

10.10 As on 31st March 2019, 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 Shareholders	% to Total
1 to 500	4,667,373	7.44	35,189	91.21
501 to 1000	1,484,493	2.37	1,794	4.65
1001 to 2000	1,163,929	1.86	753	1.95
2001 to 3000	654,803	1.04	252	0.65
3001 to 4000	392,904	0.63	107	0.28
4001 to 5000	666,942	1.06	139	0.36
5001 to 10000	1,325,448	2.11	181	0.47
10001 to 50000	3,108,975	4.96	139	0.36

Range of No. of Equity Shares held	Total No. of Shares held	% to Total	No. of Shareholders	% to Total
50001 to 100000	1,121,662	1.79	16	0.04
100001 and above	48,128,471	76.74	12	0.03
Total	62,715,000	100.00	38,582	100.00

10.11 Shareholding Pattern of the Company as on 31st March 2019:

Category	No. of Shares	% to total
Promoters - Evonik Degussa GmbH (Formerly Degussa GmbH)	45,853,315	73.11
Residents (Individual)	14,216,263	22.67
Financial Institutions and Banks	23,680	0.04
Non-Resident Individuals/ OCBs	299,706	0.48
Indian Corporate Bodies/ Trusts	2,307,976	3.68
Mutual Funds/ Insurance Companies	14,060	0.02
Total	**62,715,000**	**100.00**

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

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

10.13 Commodity price risk or foreign exchange risk and hedging activities

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

10.14 Plant Location

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

10.15 Address for Correspondence

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

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

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

ii. For any other information, the Shareholders may contact the Company Secretary at the 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

- **Recommendations of Kotak Committee**

  Based on the recommendations of Kotak Committee, SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 was amended vide SEBI's notification dated 9th May 2018. Although various amendments are not applicable on your Company, the Company is in compliance with such provisions viz. (i) appointment of 1 Independent women Director, (ii) atleast 6 members in the Board, (iii) Chairman of the Board to be non-executive and not relative of Managing Director or Chief Executive officer etc.
- 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 2018-19 have been disclosed in Form AOC-2 attached as **Annexure- 2** to the Board's Report and note-26 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: http://www.insilcoindia.com/policies.htm.
- 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:

  http://www.insilcoindia.com/Pdf/RELATED%20PARTY%20TRANSACTION%20POLICY.pdf
- The Company has not obtained any public funding during the Financial Year ended 31st March 2019.
- 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/-**
Dara Phirozeshaw Mehta	**Brijesh Arora**
Chairman of the Board	**Managing Director**
DIN : 00041164	**DIN : 00952523**

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 2019.

Sd/-
Place : Noida, Uttar Pradesh — **Brijesh Arora**
Date : 20th May 2019 — **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 2018-19

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 they 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 they 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 : 20th May 2019
Place : Noida, Uttar Pradesh

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, 2019, 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/-
Sanjay Grover
Managing Partner
CP No.: 3850

Date : May 17, 2019
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
A 5 UPSIDC INDUSTRIAL AREA,
PO BHARTIA GRAM GUJRAULA,
DISTT J P NAGAR,
UTTAR PRADESH – 244223

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, PO - Bhartia Gram Gujraula, 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 Sub clause 10(i) of the Securities 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 ending on 31st March, 2019 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 any such other Statutory Authority.

S. No.	Name of the Director	DIN	Date of appointment in the Company
1.	Mr. Brijesh Arora	00952523	01/03/2015
2.	Mr. Dara Phirozeshaw Mehta	00041164	31/12/2005
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 of 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.)
C. P. No.: 2388
FCS No.: 2668

Date: 18th May, 2019
Place: New Delhi

Annexure – 4

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Overall Review

Production and sales during the year were 16,946 MT and 16,537 MT as compared to 14,857 MT and 15,207 MT respectively in the previous year. The Company achieved the sales turnover of Rs. 951 million during the year as compared to Rs. 888 million in the previous year. The sales turnover grew by 7% as compared to previous year.

The Company has a world class manufacturing plant at Gajraula based on technology from its parent Company 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 we are dependent on Diesel for fuel and have to incur significant expenditure in treatment of effluents before discharging it.

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. All end-user segments are showing good growth.

Opportunity, Threats, Outlook, Risks and Concerns

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 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 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 and economic policies of the Government especially with regard to 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 future growth of the Company depends upon willingness of customers to pay premium for our high quality products, our efficiency improvement like cost reduction, higher capacity utilization, supply chain performance, lower energy consumption and higher yield.

With prudent business and risk management practices, the Company is continuously looking at ways to minimize the impact of the cost increases on the profitability by passing partially these on to customers in highly competitive market situation, judicious buying, adequate stocking, developing alternate vendors, exploring alternative sources of energy, etc.

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.

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

The Board believes that the Company has a strong case in its favour as the Company continues to comply with all the current pollutions norms applicable to it as per consent letter. However, it is possible that the pollution authorities may come up with fresh requirement(s) for compliance in the conditions of consent letter, which will then have to be examined and considered.

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

There has been lot of uncertainty in all over the world including India during the financial year 2018-19. The uncertainty leads to many challenges and opportunities. There were made structural changes in the indirect tax system by the introduction of Goods and Service Tax (GST) with effect from 1st July 2017. The financial year 2018-19 is the first complete year with the annual impact of these structural changes. The organized players like us would be long term beneficiaries of the same. The GDP growth for financial year 2019-20 is expected to be 7.5% approximately. The Indian economy is improving and showing potential for further growth.

The cost of production of your company is high as compared to competitors and we are putting our best efforts to put it down. The Board of directors has already approved the installation of “Propane LPG” to reduce energy cost. The company has already obtained approvals from most of the statutory authorities for the installation of a “Propane LPG project” and it is in the process of obtaining approval from few other government authorities for the same. Besides this, the company is pursuing all growth opportunities to recover from the financial losses. The Company is actively trying its best to maintain and increase the customer base. However, the customer retention is a big challenge considering competitive market situation. The future growth of the Company will depend upon our ability to optimize our costs by making our products more competitive, increasing capacity utilization, optimal product mix, efficiency improvement and the willingness of customers to pay a premium for our high quality products. There are inherent opportunities available for the Company in the target industries such as Tyres, Automotive Components, Mechanical Rubber Goods, Footwear, Battery Separators, Agrochemicals, Food and Feed. The Company is continuously improving the plant conditions to ensure the safety of its employees and the environment. The Company is actively pushing growth opportunities to use the unutilized production capacity and improve product mix.

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. We have introduced during the year 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. This Sub-Committee comprises various senior management personnel including Managing Director. 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 2018-19, 2 employees were awarded for 10 years long service award. There were 108 employees as on 31st March 2019 on the rolls of the Company excluding trainees. Out of 108 employees, 74 employees (68.5%) have completed 20 years of service and 11 employees (10.2%) 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 along with a policy of job re-definition and job rotation. 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, company organized the training sessions for middle management team on the topics like Evonik Competency model, Communication skills, Performance management System, Interviewing skills etc. under Evonik's learning programme. We have evaluated the job description of our managers to align the gaps in line with our global practices.

Company has participated in Evonik's Employee survey held in November 2018. It was a global initiative from our parent company. The employee participation rate for Insilco was 99%. The survey results depicted that the key indicators like Commitment Index, Leadership Index and Agility Index were significantly above the global averages.

During the year, company has awarded 18 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.

Your Company is having state of art effluent treatment system as per International standards. Water is a critical input for manufacturing of Precipitated Silica. We are conscious of its dependence on Water and striving to optimize our water consumption. We have also implemented some water recharge initiatives.

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.

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 2018-19 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 2018-2019, 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.
- Replace Monkey Ladder from Step Ladders used for Emergency purpose in Spray dryer.
- Installed Sprinkler system in new warehouse, Store, Workshop area and Down comer in Admin Building & VN3 Building and HVW system in both the Transformers.
- Modified the Hazardous waste storage area.
- Replaced the 80 KLD STP with 120 KLD new STP for better treatment of domestic Sewage.
- Installed the On Line water flowmeter & online BOD/ COD/TSS/pH/O&G monitors, to monitor the discharge effluent flow & and other parameters.
- The Asbestos sheets of warehouse roof is replaced with GI coated Sheets.
- Display of List of Personal Protection Equipments (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

Insilco participated in Tigri Mela occasion at Gajraula during18th November 2018 to 24th November 2018 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. 67.88 Million were made to PPE during the current year and this includes Rs. 52.50 Million towards Plant and Machinery, Rs.14.68 Million towards Building and Rs. 0.7 Million towards Computers, Office Equipment & Electrical Installation. There are no addition to Intangible assets during the year.

(ii) Capital work-in-progress

The capital work-in-progress is of Rs. 9.60 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 and Recharge Shaft to charge the rain water as per Central Ground Water Authorities guidelines.

(iii) 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, 2019 is Rs. 2.1 Million.

(iv) Financial Assets

Loans and other financial assets amount to Rs. 8.54 Million as of March 31, 2019 as compared to Rs. 8.35 Million as on March 31, 2018. It includes Rs. 7.16 Million towards security deposit, Rs. 1.0 Million towards long term deposits with bank.

(v) Other Non-Current Assets

Other non-current assets amounts to Rs. 2.51 Million as on March 31, 2019 as compared to 3.40 Million as on March 31, 2018. It includes capital advances, deferred employee cost and balance with Govt. authorities.

(vi) Income Tax Assets (Net)

It represents advance income taxes paid net of provisions.

2. Current Assets

(i) Inventories

Inventories amount to Rs. 105.50 Million as on March 31, 2019 as compared to Rs. 98.78 Million as on March 31, 2018. The inventory has increased by Rs. 6.72 Million during the year. The level of inventory in relation to sales has increased by 0.71%.

(ii) Financial Assets

Investments

Investments of Rs. 193.29 Million represents the fair value of investments in Mutual Funds as on March 31, 2019 as compared to fair value of Rs. 259.74 Million as on March 31, 2018. All investments have been classified as current investments. Investments as on March 31, 2019 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. 165.77 Million (net of provisions of Rs. 0.24 Million) as of March 31, 2019 as compared to Rs. 179.94 Million (net of provisions of Rs. 0.69 Million) as on March 31, 2018. 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. Trade Receivables are 18% of revenue for the year ended March 31, 2019 as compared to 17% of revenue for the year ended March 31, 2018. This represents an average outstanding of 67 days of revenue for the year as compared to 60 days in the previous year.

Cash and Cash Equivalents and Other Bank Balances

As at March 31, 2019, the Company had a Cash and Cash Equivalents and Other Bank Balances of Rs. 305.52 Million. This represents 29.08% of total assets and 32.11% of the revenue of the current year.

Loan and Other Financial Assets

Loan and Other Financial Assets amount to Rs. 14.63 Million as on March 31, 2019 as compared to Rs. 16.16 Million as on March 31, 2018. It includes Rs. 10.92 Million towards Interest accrued on fixed deposits, Rs. 2.14 Million for Government grant receivables, etc.

(iii) Other Current Assets

Other current assets amount to Rs. 7.07 Million as compared to Rs.10.59 Million as on March 31, 2018. Other current assets include Rs. 3.01 Million towards advance to suppliers and prepayments of Rs. 3.99 Million.

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, 2019.

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, 2019 is Rs. 322.22 Million as compared to Rs. 385.03 Million as on March 31, 2018. The book value per share at the end of the year is Rs. 15.14 as compared to Rs. 16.14 at the end of previous year.

5. Non Current Liabilities

(i) Financial Liabilities

Borrowings

Borrowings as at March 31, 2019 are Rs. 0.09 Million. This represents obligation under finance lease.

(ii) Employee benefit obligations

Employee benefit obligations as at the year end are Rs. 0.99 Million as compared to Rs. 0.81 Million as on March 31, 2018. This represents liabilities provided for Long Service Award.

(iii) Deferred Tax Liabilities (Net)

The deferred tax liabilities as at the year end are Nil as compared to Rs 0.77 Million as on March 31, 2018. The Deferred tax liabilities represents tax impact on the financial assets measured at fair value through profit and loss & carry forward capital losses.

6. Current Liabilities

(i) Financial Liabilities

The Company owes an amount of Rs. 100.07 Million as compared to Rs. 83.80 Million as on March 31, 2018. This represents 9.73% of total expenditure for the year ended March 31, 2019 as compared to 9.23% of previous year. These liabilities include the following:

Particulars	As of March 31, 2019 (Rs. in Million)
Trade Payables	68.13
Other Financial Liabilities	
Employee related liabilities	4.16
Capital creditors	4.66
Security deposits from customers and Vendors	2.04
Employee benefit obligations	
Compensated absences	6.56
Long service award	0.17
Gratuity	4.55
Provisions	0.50
Other Current Liabilities:	
Advance from customers	0.20
Statutory dues	6.60
Advance received against disposal of fixed assets	2.50
Total	**100.07**

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 31.03.2019	Year ended 31.03.2018
Revenue from Operations	951	888
Less: Excise Duty	-	22
Net Turnover	**951**	**866**

2. Net Profit/Loss After Tax

The total comprehensive loss for the year ended March 31, 2019 is Rs. 62.82 Million as compared to income of Rs. 5.30 Million in previous year.

3. Earnings Per Share

The basic EPS during the year is Rs. (0.96) per share as against Rs. 0.06 per share in the previous year.

4. Raw Material Consumption

The raw material consumption for current year is Rs. 415 Million as compared to Rs. 334 Million for previous year. 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 increase in inventory of finished goods & work in progress during the year is Rs. 26.75 Million.

6. Employee Benefits Expense

The employees' remuneration and benefits for the year ended March 31, 2019 are Rs. 84.99 Million as compared to Rs. 80.35 Million for the year ended March 31, 2018. The Company has 108 permanent employees as on March 31, 2019 on its rolls.

7. Depreciation and Amortization Expense

There has been provided a sum of Rs. 24.64 Million towards depreciation for the year ended March 31, 2019. The depreciation for the year ended March 31, 2019 represents 2.59% of sales.

8. Other Expenses

Other expenses for the year ended March 31, 2019 are Rs. 551.89 Million as compared to Rs. 452.77 Million for the year ended March 31, 2018. 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, 2019

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

Description	March 2019	March 2018	March 2017*	March 2016	March 2015
Financial Performance					
Sales	951.47	888.04	957.85	803.48	631.75
Less: Excise duty	-	(22.17)	(91.43)	(74.71)	(62.00)
Turnover (net of excise duty)	951.47	865.87	866.42	728.77	569.75
Profit before Interest, Investment Income, Depreciation, Exceptional Items and Tax	(70.89)	(14.49)	14.84	9.38	(15.33)
Other Income					
(i) Income from Interest & Investment	37.61	34.25	62.90	25.84	41.25
(ii) Other income (other than income from interest and Investment)	2.87	5.52	4.00	2.01	4.42
Interest Expenses	(3.24)	(0.18)	(0.10)	(3.12)	(0.07)
Depreciation and Amortization	(24.64)	(19.16)	(17.17)	(13.29)	(11.61)
Exceptional Items	-	-	-	-	-
Profit/(Loss) Before tax	(61.17)	0.42	56.31	18.81	14.24
Taxation charge / (Release)	(0.77)	(3.22)	7.24	4.04	0.00
Profit/(Loss) after Tax	(60.41)	3.64	49.07	14.77	14.24
Other comprehensive income	(2.41)	1.65	(2.63)	0.00	0.00
Total comprehensive income for the year	(62.82)	5.29	46.44	14.77	14.24
Balance Sheet					
Share Capital	627.15	627.15	627.15	627.15	627.15
Reserves and Surpluses (including other reserves)	322.22	385.03	379.33	281.26	268.20
Net Worth	949.37	1012.18	1006.48	908.41	895.35
Non-Current Liabilities	1.09	1.67	1.54	0.67	1.20
Non-Current Assets	258.75	228.24	201.31	206.08	204.17
Net Current Assets	691.71	785.61	806.70	703.00	692.38
Total Assets	1050.53	1097.65	1069.17	972.67	955.02
Per Share Data					
Basic EPS (Rs.)	(0.96)	0.06	0.78	0.24	0.23
Book Value per share (Rs.)	15.14	16.14	16.05	14.48	14.28
Other Information					
Number of Shareholders	38124	39360	40521	41405	41909

*Figures from 2017 onwards are stated as per Ind AS

RATIO ANALYSIS FOR THE YEAR ENDED MARCH 31, 2019

Description	March 2019	March 2018	March 2017	March 2016	March 2015
Ratios-Financial Performance					
Gross Profit/ Total Sales [%]	18%	23%	22%	22%	21%
Profit /(Loss) Before Interest, Investment Income, Depreciation, Exceptional Item & Tax/ Total Sales [%]	-7%	-2%	2%	1%	-2%
Profit/(Loss) Before Interest, Investment Income, Depreciation & Tax/Total Sales [%]	-7%	-2%	2%	1%	-2%
Ratios-Balance Sheet					
Debt Equity Ratio (Long Term Debt : Equity)	-	-	-	-	-
Current Ratio	7.91	10.37	14.19	12.06	12.84
Days Sales Outstanding (DSO)	67	60	65	72	59

INDEPENDENT AUDITOR'S REPORT

To the Members of Insilco Limited

Report on the audit of the financial statements

Opinion

1. We have audited the accompanying financial statements of Insilco Limited ("the Company"), which comprise the balance sheet as at March 31, 2019, and the statement of Profit and Loss(including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and 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, 2019, and total comprehensive income (comprising of loss and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for opinion

3. 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 opinion.

Emphasis of matter

4. We draw attention to Note 35 to the Financial Statements with regard to the Joint Inspection Team's observations pursuant to the directions of the National Green Tribunal (NGT). Pursuant to the consent order under The Water (Prevention and Control of Pollution) Act, 1974 for the calendar year 2018 issued by the Uttar Pradesh Pollution Control Board (UPPCB), the Company has submitted a draft report with comments from IIT Rorkee with respect to Zero Liquid Discharge and is awaiting a hearing with UPPCB. The Management has assessed that the Company continues to comply with all currently applicable pollution norms and has presently applied for the renewal of consent with the UPPCB. Pending receipt of approval from the UPPCB, the financial impact, if any, in respect of this matter, is presently not ascertainable.

   Our opinion is not modified in respect of this matter

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.

Key audit matter description	How our audit addressed the key audit matter
Assessment of impairment of Property, Plant and Equipment (Refer Note 3 to the Financial Statements) Property, plant and equipment represents 21% of total assets on the balance sheet. If these were to be impaired, it would have a significant impact on reported loss and the balance sheet position of the Company. Impairment assessment of property, plant and equipment was considered to be a key audit matter as the Company has been incurring losses in the past few years and there is a risk that the recoverable amount could be less than the carrying value of assets. The Management's assessment of impairment depends on the valuation approach followed to estimate the fair value of the assets and cost to sell and there is significant judgement in respect of: • Estimated resale values of land wherein the current prevailing rates for comparable land were provided	Our procedures in relation to management's impairment assessment of property, plant and equipment included: • Understanding and evaluating the controls and testing the operating effectiveness of the controls related to estimating the fair value of the assets; • Understanding the methodologies used by the external valuer engaged by the Management to estimate resale values; • Evaluating the external valuer's competence, capabilities, independence and objectivity; • Testing the accuracy and appropriateness of the input data including the specifications, provided by the Management to the external valuer; • Together with the auditor's valuation experts, assessing the following – a. valuation methodology

by an external valuer engaged by the Management; • Estimated current replacement cost of the buildings taking into consideration the specifications of the building such as (i) type of construction (ii) quantity of steel (iii) area and (iv) height of the buildings, provided by an external valuer; • Estimated current replacement costs for all other assets based on the price index; and • Discount rate and salvage value percentage estimated to arrive at fair value and cost to sell respectively. The Management has concluded that the recoverable amount is higher than their carrying values and that no impairment provision is required.	b. assumptions used in the estimation of the resale values, current replacement cost, discount rates and salvage value. c. Performed sensitivity analysis of possible changes to the key assumptions. Based on the above procedures, the results of the Management's assessment of impairment of Property, Plant and Equipment was considered to be appropriate.

Other Information

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

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

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

   We have nothing to report in this regard.

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

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

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 obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    c) The Balance Sheet, the Statement of Profit and Loss (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, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.

    e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

    f) 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".

    g) 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 27 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, 2019;

        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, 2019.

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2019

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

Sd/-
Anupam Dhawan
Partner
Membership Number: 084451

Noida, Uttar Pradesh
May 20, 2019

Annexure A to Independent Auditor's Report

Referred to in paragraph 15(f) of the Independent Auditor's Report of even date to the members of Insilco Limited on the Financial Statements for the year ended March 31, 2019

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, 2019 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.

Auditor's 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 providea 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 inconditions, 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, 2019, 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/-
Anupam Dhawan
Partner
Membership Number: 084451

Noida, Uttar Pradesh
May 20, 2019

Annexure B to Independent Auditor's Report

Referred to in paragraph 14 of the Independent Auditor's Report of even date to the members of Insilco Limited on the Financial Statements as of and for the year ended March 31, 2019

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of property, plant and equipment 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 on property, plant and equipment and Note 4 on investment properties to the financial statements, are held in the name of the Company.

ii. The physical verification of inventory (excluding goods in transit) 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 generally regular in depositing undisputed statutory dues in respect of goods and service tax and provident fund, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including employees' state insurance, sales tax, income tax, service tax, duty of customs, duty of excise, value added tax and other material statutory dues, as applicable, with the appropriate authorities. Also refer note 27 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, 2019 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 dispute is pending
Central Sales Tax Act, 1956	Central Sales Tax	275	2005-06	Joint Commissioner of Sales Tax (Appeals)
West Bengal Value Added Tax, 2003	Penalty	107*	2010-11	West Bengal Taxation Tribunal
Uttar Pradesh Value Added Tax Act, 2008	Value Added Tax	648	2013-14	Commercial Tax Tribunal
Uttar Pradesh Value Added Tax Act, 2008	Value Added Tax	777	2015-16	Assistant Commissioner of Commercial Tax (Appeals)

* Net of payment under protest of Rs. 50 ('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/-
Anupam Dhawan
Partner
Membership Number: 084451

Noida, Uttar Pradesh
May 20, 2019

Balance Sheet as at March 31, 2019

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

PARTICULARS	Notes	As at 31-Mar-2019	As at 31-Mar-2018
ASSETS			
Non-current assets			
Property, plant and equipment	3	220,734	181,564
Capital work-in-progress	3	9,604	19,237
Investment properties	4	104	104
Other intangible assets	5	989	1,653
Financial assets			
i. Loans	6 (a)	7,543	7,346
ii. Other financial assets	6 (b)	1,000	1,000
Other non-current assets	7 (a)	2,512	3,405
Income tax assets (net)	7 (b)	16,265	13,926
Total non-current assets		**258,751**	**228,235**
Current assets			
Inventories	8	105,501	98,778
Financial assets			
i. Investments	9 (a)	193,286	259,739
ii. Trade receivables	9 (b)	165,773	179,247
iii. Cash and cash equivalents	9 (c)	10,516	12,901
iv. Bank balances other than (iii) above	9 (d)	295,000	292,000
v. Loans	6 (a)	1,093	911
vi. Other financial assets	6 (b)	13,539	15,253
Other current assets	10	7,068	10,586
Total current assets		**791,776**	**869,415**
Total assets		**1,050,527**	**1,097,650**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	11 (a)	627,150	627,150
Other equity			
Reserves and surplus	11 (b)	322,218	385,033
Other reserves	11 (c)	-	-
Total equity		**949,368**	**1,012,183**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
i. Borrowings	12 (a)	92	90
Employee benefit obligations	13 (a)	994	811
Deferred tax liabilities (net)	14	-	765
Total non-current liabilities		**1,086**	**1,666**
Current liabilities			
Financial liabilities			
i. Trade payables			
- Total outstanding dues of micro, medium and small enterprises	12 (b)	14,067	8,615
- Total outstanding dues of creditors other than micro medium and small enterprises	12 (b)	54,060	48,979

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

PARTICULARS	Notes	As at 31-Mar-2019	As at 31-Mar-2018
ii. Other financial liabilities	**12 (c)**	10,865	9,726
Provisions	**12 (d)**	506	506
Employee benefit obligations	**13 (b)**	11,275	7,604
Current tax liabilities	**15**	-	-
Other current liabilities	**16**	9,300	8,371
Total current liabilities		**100,073**	**83,801**
Total liabilities		**101,159**	**85,467**
Total equity and liabilities		**1,050,527**	**1,097,650**

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/-
Anupam Dhawan
Partner
Membership No. 084451

Place : Noida, Uttar Pradesh
Date : May 20, 2019

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

Sd/-
Dara P Mehta
Chairman/Director
DIN: 00041164

Sd/-
Brijesh Arora
Managing Director
DIN: 00952523

Sd/-
Shivangi Negi
Chief Financial Officer

Sd/-
Sarvesh Kr. Upadhyay
Company Secretary

Place : Noida, Uttar Pradesh
Date : May 20, 2019

Statement of Profit and Loss for the year ended March 31, 2019

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

PARTICULARS	Notes	Year ended 31-Mar-2019	Year ended 31-Mar-2018
Revenue from operations	**17**	951,469	888,037
Other income	**18 (a)**	24,545	26,204
Other gains/(losses) (net)	**18 (b)**	15,928	13,566
Total income		**991,942**	**927,807**
Expenses			
Cost of materials consumed	**19**	415,139	334,281
Changes in inventories of finished goods and work-in-progress	**20**	(26,754)	18,470
Excise duty		-	22,174
Employee benefit expense	**21**	84,991	80,353
Depreciation and amortisation expense	**22**	24,643	19,165
Other expenses	**23**	551,851	452,765
Finance costs	**24**	3,242	179
Total expenses		**1,053,112**	**927,387**
(Loss)/ profit before tax		**(61,170)**	**420**
Income tax expense	**25**		
- Current tax		-	(3,333)
- Deferred tax		(765)	110
Total tax expense		**(765)**	**(3,223)**
(Loss)/ profit for the year		**(60,405)**	**3,643**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement (losses)/ gains on defined benefit plans (net of tax)		(2,410)	988
Deferred gains/losses on cash flow hedges (net of tax)		-	659
Other comprehensive (loss)/ income for the year, net of tax		**(2,410)**	**1,647**
Total comprehensive (loss)/ income for the year		**(62,815)**	**5,290**
Earnings per equity share			
Basic earnings per equity share (Rs.)	**29**	(0.96)	0.06
Diluted earnings per equity share (Rs.)	**29**	(0.96)	0.06
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/-
Anupam Dhawan
Partner
Membership No. 084451

Place : Noida, Uttar Pradesh
Date : May 20, 2019

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

Sd/-
Dara P Mehta
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Managing Director
DIN: 00952523

Sd/-
Shivangi Negi
Chief Financial Officer

Sd/-
Sarvesh Kr. Upadhyay
Company Secretary

Place : Noida, Uttar Pradesh
Date : May 20, 2019

Statement of changes in equity for the year ended March 31, 2019

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

A. Equity share capital

Particulars	Notes	Amount
At 01 April 2017	**11 (a)**	627,150
Change in equity share capital		-
At 31 March 2018		**627,150**
Change in equity share capital		-
At 31 March 2019		**627,150**

B. Other Equity

Particulars	Notes	Reserves & surplus	Other reserve	Total
		Retained earnings	**Cash flow hedging reserve**	
Balance as at 01 April 2017	**11 (b)**	380,402	(1,067)	379,335
Profit / (loss) for the year	**11 (b)**	3,643	-	3,643
Other comprehensive income:				
Remeasurements of post-employment benefit obligation, net of tax	**11 (b)**	988	-	988
Deferred hedging gain/(losses)		-	659	659
Total comprehensive income for the year		**4,631**	**659**	**5,290**
Deferred hedging gain/(losses) transferred to the carrying value of Property, Plant and Equipment	**11 (c)**	-	408	408
Balance as at 31 March 2018		**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**

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/-
Anupam Dhawan
Partner
Membership No. 084451

Place : Noida, Uttar Pradesh
Date : May 20, 2019

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

Sd/-
Dara P Mehta
Chairman/Director
DIN: 00041164

Sd/-
Brijesh Arora
Managing Director
DIN: 00952523

Sd/-
Shivangi Negi
Chief Financial Officer

Sd/-
Sarvesh Kr. Upadhyay
Company Secretary

Place : Noida, Uttar Pradesh
Date : May 20, 2019

Cash Flow Statement for the year ended March 31, 2019

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

PARTICULARS	Notes	Year ended 31-Mar-2019	Year ended 31-Mar-2018
Cash flow from operating activities			
(Loss)/ Profit before income tax		(61,170)	420
Adjustments for			
Depreciation and amortisation expense	**22**	24,643	19,165
Capital work in progress written off		-	886
Net loss/ (gain) on disposal of property, plant and equipment	**18 (b), 23**	4,662	(270)
Net (gain)/loss on financial assets measured at fair value through profit or loss	**18 (b)**	(13,746)	(13,203)
Net (gain)/loss on sale of financial assets measured at fair value through profit and loss	**18 (b)**	(1,405)	(54)
Interest income on financial assets measured at amortised cost	**18 (a)**	(22,457)	(20,996)
Finance costs	**24**	3,242	179
Liabilities/provisions no longer required written back	**18 (b)**	(331)	(39)
Loss allowance no longer required written back	**18 (b)**	(446)	-
Provision written back (net)		-	(363)
Loss allowance	**23**	-	28
Net exchange differences		27	(14)
Changes in operating assets and liabilities			
(Increase)/ decrease in inventories		(6,724)	(1,794)
(Increase)/ decrease in trade receivables		13,893	5,358
(Increase)/ decrease in other financial asset		2,908	(4,361)
(Increase)/ decrease in other non-current assets		(1,347)	134
(Increase)/ decrease in other current assets		3,518	(2,527)
Increase/ (decrease) in trade payables		10,864	28,256
Increase/ (decrease) in other financial liabilities		860	(227)
Increase/(decrease) in employee benefit obligations		1,444	(607)
Increase/ (decrease) in other current liabilities		929	(1,757)
Cash (used in)/ generated from operations		**(40,636)**	**8,214**
Income taxes paid/(refund received)		2,339	(8,497)
Net cash (used in)/ outflow from operating activities		**(42,975)**	**16,711**
Cash flow from investing activities			
Payments for property, plant and equipment		(55,726)	(53,265)
Proceeds from sale of property, plant and equipment		67	697
Proceeds from sale of investments		81,604	129,938
Repayment of loans by employees and security deposits refunded		(379)	123
Interest received		21,263	17,176
Fixed deposits with maturity more than 3 months but less than 12 months		(5,000)	(99,400)
Deposits made with original maturity of more than twelve months		2,000	(12,000)
Net cash outflow from / (used in) investing activities		**43,829**	**(16,731)**

Cash Flow Statement for the year ended March 31, 2019

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

PARTICULARS	Notes	Year ended 31-Mar-2019	Year ended 31-Mar-2018
Cash flow from financing activities			
Interest paid		(3,240)	(177)
Net cash (used in)/ outflow from financing activities		**(3,240)**	**(177)**
Net (decrease)/ increase in cash and cash equivalents		**(2,386)**	**(197)**
Cash and cash equivalents at beginning of the year		12,901	13,098
Cash and cash equivalents at end of the year [Refer Note 9 (c)]		**10,515**	**12,901**

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/-
Anupam Dhawan
Partner
Membership No. 084451

Place : Noida, Uttar Pradesh
Date : May 20, 2019

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

Sd/-
Dara P Mehta
Chairman/Director
DIN: 00041164

Sd/-
Brijesh Arora
Managing Director
DIN: 00952523

Sd/-
Shivangi Negi
Chief Financial Officer

Sd/-
Sarvesh Kr. Upadhyay
Company Secretary

Place : Noida, Uttar Pradesh
Date : May 20, 2019

Notes to financial statements for the year ended March 31, 2019

Company Background

Insilco Limited (the 'Company') is a subsidiary of Evonik Degussa GmbH, Germany. 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 May 20, 2019.

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 1 April 2018:

- Ind AS 115, Revenue from Contracts with Customers
- Appendix B, Foreign Currency Transactions and Advance Consideration to Ind AS 21, The Effect of Changes in Foreign Exchange Rates
- Amendment to Ind AS 12, Income Taxes
- Amendment to Ind AS 40, Investment Property

The effect on adoption of Ind AS 115 is insignificant on the financials. This is disclosed in Note 17. The other amendments listed above did not have any impact on 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 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 32.

(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 again 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

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.

(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 assetasset (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 inthe 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 inthe 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 31 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 theacquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

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

Transition to Ind AS

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

Depreciation methods, estimated useful lives and residual value

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

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

ˇ 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.

(dd) Standards and amendments to Indian accounting standards (IndAS) issued but not yet effective:

1. Ind AS 116, Leases

Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standards) Second Amendment Rules, 2019 on March 30, 2019 notifying new Standard Ind AS 116 “Leases”. This Ind AS is applicable for annual period beginning on or after April 1, 2019. The Company expects that there will be no material impact on the financial statements resulting from the implementation of this standard.

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
- 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 27
- Recognition of deferred tax assets and liabilities and tax expense – Note 14 and 25

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, 2019

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 2018										
Gross carrying amount										
Opening gross carrying amount	12,776	62,980	86,743	1,852	6,269	3,068	5,542	1,431	180,661	4,322
Additions	-	104	32,102	31	-	733	747	3,455	37,172	50,779
Disposals	-	-	31	57	545	171	39	104	947	-
Transfer to PPE	-	-	-	-	-	-	-	-	-	34,978
Adjustment (Refer note iii below)	-	-	-	-	-	-	-	-	-	886
Closing gross carrying amount	12,776	63,084	118,814	1,826	5,724	3,630	6,250	4,782	216,886	19,237
Accumulated depreciation										
Opening accumulated depreciation	203	4,893	9,727	311	1,149	304	209	358	17,154	-
Depreciation charge for the year	202	4,894	10,473	320	1,149	615	123	912	18,688	-
Disposals	-	-	42	16	398	17	8	39	520	-
Closing accumulated depreciation	405	9,787	20,158	615	1,900	902	324	1,231	35,322	-
Net carrying amount	12,371	53,297	98,656	1,211	3,824	2,728	5,926	3,551	181,564	19,237
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

(i) **Leased asset:**

	31-Mar-19	31-Mar-18
Leasehold land		
Cost/Deemed cost	12,776	12,776
Accumulated depreciation	588	405
Net carrying amount	**12,188**	**12,371**

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.

(ii) **Contractual obligation**

Refer to Note 28(a) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(iii) **Capital work-in-progress**

During the year ended March 31, 2018, the entire expense incurred on coal project was written off after approval from Company's Board of Directors in their meeting held on December 04, 2017. The additional expenditure of Rs. 886 ('000) was charged to the statement of profit and loss under "Other expenses", being amount incurred during the year ended March 31, 2018. Accordingly, adjustment represents write off of expenditure incurred on coal project.

Capital work-in-progress mainly comprises of expenditure towards the Propane LPG Project at Gajraula plant and Recharge Shaft to charge rain water as per Central Ground Water Authorities' guidelines.

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

Note 4 : Investment properties

Particulars	31-Mar-19	31-Mar-18
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, 2019 and the year ended March 31, 2018.

(ii) Fair Value

Particulars	31-Mar-19	31-Mar-18
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 2018		
Gross carrying amount		
Opening gross carrying amount	53	53
Additions	2,078	2,078
Disposal	-	-
Closing gross carrying amount	2,131	2,131
Accumulated amortisation		
Opening accumulated amortisation	1	1
Amortisation charge for the year	477	477
Closing accumulated depreciation	478	478
Net carrying amount	**1,653**	**1,653**
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**

Note 6 : Financial assets

Note 6(a) : Loans

Particulars	31-Mar-19		31-Mar-18	
	Current	Non-current	Current	Non-current
Loan to employees	691	382	438	185
Security deposits	402	7,264	473	7,264
Less: Loss allowance	-	(103)	-	(103)
Total loans	**1,093**	**7,543**	**911**	**7,346**

Break-up of security details

Particulars	31-Mar-19	31-Mar-18
Security deposit considered good - unsecured	8,739	8,360
Total	**8,739**	**8,360**
Less: Loss allowance	(103)	(103)
Total Security deposits	**8,636**	**8,257**

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

Note 6(b) : Other financial assets

Particulars	31-Mar-19		31-Mar-18	
	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	10,920	-	9,602	-
Interest accrued on security deposits	478	-	602	-
Government grant receivable **	2,141	-	5,049	-
Total other financial assets	**13,539**	**1,000**	**15,253**	**1,000**

* The Company has given a bank guarantee of Rs. 1,000 ('000) [31 March 2018 – 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 18 (a).

Note 7 (a) : Other non-current assets

Particulars	31-Mar-19	31-Mar-18
Capital advances	556	2,796
Deferred employee cost	42	22
Balance with government authorities	617	587
Prepayment	1,297	-
Total other non-current assets	**2,512**	**3,405**

Note 7 (b) : Non-current income tax assets (net)

Particulars	31-Mar-19	31-Mar-18
Advance income taxes paid #	16,265	13,926
Total non-current income tax assets (net)	**16,265**	**13,926**
# Net of provision	10,073	10,073

Note 8 : Inventories

Particulars	31-Mar-19	31-Mar-18
Raw materials [includes material in transit as at 31 March 2019 Rs. 2,540 ('000), 31 March 2018 Rs. Nil ('000)]	13,933	31,290
Packing materials [includes material in transit as at 31 March 2019 Rs. Nil ('000), 31 March 2018 Rs. Nil ('000)]	4,311	3,911
Work in progress	11,473	8,988
Finished goods [includes material in transit as at 31 March 2019 Rs. 5,224 ('000), 31 March 2018 Rs. 6,270 ('000)]	57,035	32,766
Stores and spares [includes material in transit as at 31 March 2019 Rs. 19 ('000), 31 March 2018 Rs. 39 ('000)]	18,749	21,823
Total inventories	**105,501**	**98,778**

Amounts recognised in the statement of profit and loss

Write-down of inventories to net realizable value amounted to Rs. 2,325 ('000) [31 March 2018 – Rs. 1,016 ('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' in statement of profit and loss.

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

Note 9 (a) : Current Investments

Particulars	31-Mar-19	31-Mar-18
Investment in mutual funds		
Unquoted		
Nil (31 March 2018: 502,626) units of Rs. 10 each of Kotak Gilt (Investment regular) - Direct Plan - Growth	-	30,838
1,822,232 (31 March 2018: 2,058,123) units of Rs. 10 each of Franklin India Government Securities Fund - Long Term Plan - Direct	80,077	84,462
2,182,706 (31 March 2018: 3,920,689) units of Rs. 10 each of DHFL Pramerica Gilt Fund -Direct Plan - Growth	45,020	75,513
1,311,009 (31 March 2018: 1,311,009) units of Rs. 10 each of Canara Robeco Gilt PGS -Direct Growth -GL-DG	68,189	64,062
Nil (31 March 2018: 78,547) units of Rs. 10 each of ICICI Prudential Long Term Gilt Fund -DP Growth	-	4,864
Total	**193,286**	**259,739**
Total current investments	193,286	259,739
Aggregate amount of quoted investments and market value thereof	-	-
Aggregate amount of unquoted investments	193,286	259,739
Aggregate amount of impairment in the value of investments	-	-

Note 9 (b) : Trade receivables

Particulars	31-Mar-19	31-Mar-18
Trade receivables	166,017	159,512
Receivables from related parties [Refer note 26 (f)]	-	20,424
Less: Loss allowance	(244)	(689)
Total receivables	**165,773**	**179,247**
Current portion	**165,773**	**179,247**
Non-current portion	**-**	**-**
Break-up of security details		
Trade receivables considered good - Secured	1,150	1,150
Trade receivables considered good - Unsecured	164,867	178,786
Total	**166,017**	**179,936**
Less : Loss allowance	(244)	(689)
Total trade receivables	**165,773**	**179,247**

Note 9 (c) : Cash and cash equivalents

Particulars	31-Mar-19	31-Mar-18
Balances with banks		
- in current accounts*	10,308	12,869
Cash on hand	208	32
Total cash and cash equivalents	**10,516**	**12,901**

* including sweep fixed deposit with banks.

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

Note 9 (d) : Other bank balances

Particulars	31-Mar-19	31-Mar-18
Deposits with original maturity of more than three months but less than twelve months	285,000	280,000
Deposits with original maturity of more than twelve months	10,000	12,000
Total other bank balances	**295,000**	**292,000**

Note 10 : Other current assets

Particulars	31-Mar-19	31-Mar-18
Unsecured, considered good unless otherwise stated		
Advances to suppliers	3,012	6,117
Advance recoverable from related parties [Refer note 26 (f)]	-	619
Prepayments	3,988	3,788
Advance to employee	1	39
Deferred employee cost	67	23
Advances to suppliers - considered doubtful	978	978
Less: Allowance for doubtful advances	(978)	(978)
Total other current assets	**7,068**	**10,586**

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 2017	65,715,000	657,150
Increase during the year	-	-
As at 31 March 2018	**65,715,000**	**657,150**
Increase during the year	-	-
As at 31 March 2019	**65,715,000**	**657,150**
(i) Movement in equity share capital (issued, subscribed and paid up)		
As at 1 April 2017	62,715,000	627,150
Increase during the year	-	-
As at 31 March 2018	**62,715,000**	**627,150**
Increase during the year	-	-
As at 31 March 2019	**62,715,000**	**627,150**

(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.

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

(iii) Shares of the Company held by Holding Company

Particulars	Number of shares	
	31-Mar-19	31-Mar-18
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-19		31-Mar-18	
	Number of shares	% holding	Number of shares	% holding
Evonik Degussa GmbH, the Holding Company	45,853,315	73.11%	45,853,315	73.11%

11(b) : Reserves and surplus

Particulars	31-Mar-19	31-Mar-18
Retained earnings	322,218	385,033
Total reserves and surplus	**322,218**	**385,033**

Retained Earnings

Particulars	31-Mar-19	31-Mar-18
Opening balance	385,033	380,402
Net (loss)/ profit for the year	(60,405)	3,643
Items of other comprehensive income recognised directly in retained earnings:		
Remeasurements of post-employment benefit obligation, net of tax	(2,410)	988
Closing balance	**322,218**	**385,033**

11(c) : Other reserves

Particulars	Cash Flow hedging reserve
As at 1 April 2017	**(1,067)**
Deferred hedging gain/(losses)	659
Deferred hedging gain/(losses) transferred to the carrying value of Property, Plant and Equipment (Refer note 33)	408
As at 31 March 2018	**-**
As at 31 March 2019	**-**

Nature and purpose of other reserve

The Company uses hedging instruments as part of its management of foreign currency risk associated with its highly probable forecast as described in note 33. For hedging foreign currency risk, the Company uses foreign currency forward contracts and these are designated as cash flow hedges. To the extent these hedges are effective; the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the cash flow hedging reserve is reclassified to statement of profit and loss when the hedged item affects profit or loss (e.g. sales and interest payments). When the forecast transaction results in the recognition of a non-financial asset (e.g. property, plant & equipment), the amount recognised in the cash flow hedging reserve is adjusted against the carrying amount of the non- financial asset.

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

Note 12: Financial liabilities

12(a) : Non-current borrowings

Particulars	Maturity date	Terms of repayment	Coupon/ Interest rate	31-Mar-19	31-Mar-18
Unsecured					
Long-term maturities of finance lease obligations					
Obligations under finance leases	1991-2081	Annual instalments	10.50%	92	90
Non-current borrowings (as per balance sheet)				**92**	**90**

Net debt reconciliation

This section sets out an analysis of net debt for each of the periods presented.

Particulars	31-Mar-19	31-Mar-18
Non-current borrowings	(92)	(90)
Net debt	**(92)**	**(90)**

Particulars	Liabilities from financing activities	
	Finance lease obligations	Total
Net debt as at 1 April 2017	(88)	(88)
Interest expense	(2)	(2)
Net debt as at 31 March 2018	**(90)**	**(90)**
Interest expense	(2)	(2)
Net debt as at 31 March 2019	**(92)**	**(92)**

12(b) : Trade payables

Particulars	31-Mar-19	31-Mar-18
Current		
Total outstanding dues of micro, medium and small enterprises	14,067	8,615
Total outstanding dues of creditors other than micro, medium and small enterprises	44,421	26,726
Trade payables to related parties (note 26 (f))	9,639	22,253
Total trade payables	**68,127**	**57,594**

Disclosures under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) based on the information available with the Company:

Particulars	31-Mar-19	31-Mar-18
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at period end	14,058	8,510
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at period end	9	105
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the period	1,384	7,168
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	105	4
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	9	105
Further interest remaining due and payable for earlier years	-	-

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

12(c) : Other financial liabilities

Particulars	31-Mar-19	31-Mar-18
Current		
Employee related liabilities	4,164	3,299
Capital creditors	4,661	4,382
Security deposits from vendors	865	870
Security deposits from customers	1,175	1,175
Total other current financial liabilities	**10,865**	**9,726**

12 (d) : Provisions

Particulars	31-Mar-19	31-Mar-18
Current		
Provisions	506	506
Total provisions	506	506

Movements in provisions

Particulars	Sales Tax cases	Excise and Service Tax matters	Total
As at 1 April 2017	719	150	869
Additional provision recognised	74	-	74
Unused amounts reversed	(287)	(150)	(437)
Amount used during the year	-	-	-
As at 31 March 2018	**506**	**-**	**506**
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**

Note 13 : Employee benefit obligations

Particulars		31-Mar-19	31-Mar-18
13(a)	**Employee benefit obligations - Non-current**		
	Long service award	994	811
	Total non-current employee benefit obligations	**994**	**811**
13 (b)	**Employee benefit obligations - Current**		
	Compensated absences (i)	6,561	5,683
	Long service award	168	543
	Gratuity (ii)	4,546	1,378
	Total current employee benefit obligations	**11,275**	**7,604**

(*i*) ***Compensated absences***

The amount of the provision of Rs. 6,561 ('000) [(31 March 2018 – Rs. 5,683 ('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-19	31-Mar-18
Leave obligation not expected to be settled within the next 12 months	5,577	4,834

(*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-19	31-Mar-18
Obligations at year beginning	32,087	32,117
Interest expense	2,469	2,182
Current service cost	2,030	1,894
Past service cost	-	-
(Gains) and losses on curtailment and settlement	-	-
Amount recognised in the statement of profit and loss	**2,030**	**1,894**
Remeasurements		
Actuarial (gain) / loss from change in demographic assumption	(11)	21
Actuarial loss/ (gain) from change in financial assumption	468	(2,025)
Experience losses/ (gains)	2,023	1,357
Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling	-	-
Amount recognised in other comprehensive income	**2,480**	**(647)**
Payment from plan:		
Benefit payments	(1,504)	(3,460)
Settlements	-	-
Addition due to transfer of employee	-	-
Obligations at year end	**37,562**	**32,086**

(b) Fair value of plan assets

Particulars	31-Mar-19	31-Mar-18
Plan assets at year beginning, at fair value	30,708	28,686
Interest income	2,363	1,949
Amount recognised in the statement of profit and loss	**2,363**	**1,949**
Employer's contribution	1,378	3,191
Benefits paid	(1,503)	(3,459)
Return on plan assets, excluding amount recognised in net interest expense	70	341
Amount recognised in other comprehensive income	**70**	**341**
Fair Value of Plan Assets as at the end	**33,016**	**30,708**

(c) Assets and liabilities recognised in Balance Sheet

Particulars	31-Mar-19	31-Mar-18
Present value of the defined benefit obligations	37,562	32,086
Fair value of plan assets	33,016	30,708
Amount recognised as (liability)/ asset	**(4,546)**	**(1,378)**

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

(d) Defined benefit obligations cost for the year recognised in profit and loss

Particulars	31-Mar-19	31-Mar-18
Current service cost	2,030	1,894
Interest Cost	2,469	2,182
Interest income	(2,363)	(1,949)
Net defined benefit obligations cost for the year recognised in the statement of profit and loss	**2,136**	**2,127**

(e) Defined benefit obligations cost for the year recognised in other comprehensive income

Particulars	31-Mar-19	31-Mar-18
Actuarial (gain) / loss from change in demographic assumption	(11)	21
Actuarial loss/ (gain) from change in financial assumption	468	(2,025)
Experience losses/ (gains)	2,023	1,357
Return on plan assets, excluding amount recognised in net interest expense	(70)	(341)
Net defined benefit obligations cost for the year recognised in other comprehensive income	**2,410**	**(988)**

(f) Investment details of plans assets:

Particulars	31-Mar-19	31-Mar-18
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-19	31-Mar-18
Discount rate	7.50%	7.70%
Salary growth rate	9.00%	9.00%
Attrition rate:		
Staff	5.31%	5.84%
Technicians	2.54%	1.88%
Mortality rate	IALM 06-08	IALM 06-08

(h) Expected contribution to the fund in the next year

Particulars	31-Mar-19	31-Mar-18
Gratuity	6,641	3,225

(i) Sensitivity analysis

Particulars	31-Mar-19		31-Mar-18	
	Decrease	Increase	Decrease	Increase
Discount rate (- / + 1%)	40,032	35,327	34,352	30,043
(% change compared to base due to sensitivity)	6.6%	-6.0%	7.1%	-6.4%
Salary growth rate (- / + 1%)	35,337	39,973	30,049	34,302
(% change compared to base due to sensitivity)	-5.9%	6.4%	-6.4%	6.9%
Attrition rate (- / + 50% of attrition rate)	37,903	37,275	32,362	31,854
(% change compared to base due to sensitivity)	0.9%	-0.8%	0.9%	-0.7%
Mortality rate (- / + 10% of mortality rates)	37,571	37,556	32,093	32,081
(% change compared to base due to sensitivity)	0.0%	0.0%	0.0%	0.0%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analyses did not change compared to the prior period.

(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-19**	3,287	19,241	25,318	16,831	64,677
Total		**3,287**	**19,241**	**25,318**	**16,831**	**64,677**
Defined benefit obligation	**31-Mar-18**	2,326	13,748	24,095	18,224	58,393
Total		**2,326**	**13,748**	**24,095**	**18,224**	**58,393**

(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-19	31-Mar-18
Provident Fund	4,855	4,324
Superannuation	4,489	4,270
National pension scheme	873	629
Total	10,217	9,223

(*iv*) ***Other long term employee benefits***

- Long Service Award : As per the Company policy, every employee is entitled to Long Service Award. The award is payable upon completion of 10 years and 20 years of continuous service.

Note 14 : Deferred tax liabilities (net)

Particulars	31-Mar-19	31-Mar-18
The balance comprises temporary differences attributable to:		
(A) Deferred tax liability on capital gains		
Deferred tax asset:		
Capital losses	7,116	7,071
Deferred tax asset [Refer note (i)]	**7,116**	**7,071**
Deferred tax liabilities:		
Capital gain on investments	7,116	7,836
Deferred tax liabilities	**7,116**	**7,836**
Net deferred tax liabilities (A)	**-**	**765**
(B) Deferred tax liability on other items		
Deferred tax asset:		
Employee benefits	2,380	2,195
Others	2,412	3,242
Total deferred tax assets [Refer note (ii)]	**4,792**	**5,437**
Deferred tax liabilities:		
Depreciation/ amortisation on Property, plant and equipment/ Intangible assets	4,780	5,426
Employee loan	12	11
Total deferred tax liabilities	**4,792**	**5,437**
Net deferred tax liabilities (B)	**-**	**-**
Total Net deferred tax liabilities (A+B)	**-**	**765**

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-19		31-Mar-18	
	Gross amount	Unrecognized tax effect	Gross amount	Unrecognized tax effect
Capital losses	725	160	-	-
Tax losses	52,869	14,708	18,545	5,159
Unabsorbed depreciation	42,159	11,729	15,408	4,287
Deductible temporary differences	4,809	1,338	2,599	723
MAT credit		27,966		27,563
		55,901		**37,732**

Tax losses, unabsorbed depreciation, MAT credit and deductible temporary differences for which deferred tax asset was not recognized, expires as follows:

Particulars	31-Mar-19	Expiry date	31-Mar-18	Expiry date
MAT credit	27,966	*	27,563	*
Tax losses	52,869	**	18,545	**
Unabsorbed depreciation	42,159	***	15,408	***
Deductible temporary differences	4,809	****	2,599	****
Capital losses	725	*****	-	

*

Assessment Year	Available up to A.Y.	31-Mar-19	31-Mar-18
AY 2010-11	AY 2025-26	10,217	10,217
AY 2011-12	AY 2026-27	5,938	5,939
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	710
		27,966	**27,563**

**

Assessment Year	Available up to A.Y.	31-Mar-19	31-Mar-18
AY 2014-15	2022-23	18,413	18,545
AY 2019-20	2027-28	34,456	-
		52,869	**18,545**

***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-19	31-Mar-18
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 2017	2,820	(5,246)	(29)	7,768	(8,423)	2,455	(655)
(Charged)/credited:							
- to profit or loss	(625)	(180)	18	(697)	587	787	(110)
At 31 March 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**	**-**

Note 15 : Current tax liabilities

Particulars	31-Mar-19	31-Mar-18
Opening balance	-	4,818
Add: Current tax payable for the year	-	-
Less: Taxes paid	-	(680)
Less: Reversal during the year	-	(4,138)
Closing balance	**-**	**-**

Note 16 : Other current liabilities

Particulars	31-Mar-19	31-Mar-18
Advances from customers	204	725
Statutory dues	6,596	5,146
Advance received against disposal of fixed assets	2,500	2,500
Total other current liabilities	**9,300**	**8,371**

Note 17 : Revenue from operations

Particulars	31-Mar-19	31-Mar-18
Revenue from contracts with customers		
Sale of products [including excise duty Nil (31 March 18 Rs. 22,174 ('000))]	948,303	849,784
Sale of services	3,166	-
Other operating revenue	-	38,253
Total revenue from operations	**951,469**	**888,037**

(i) Goods and service tax (GST) has been effected from July 1, 2017. Consequently excise duty, value added tax, service tax etc. have been replaced with GST. Until June 30, 2017 "Sale of products" included the amount of excise duty recovered on sale. With effect from July 1, 2017, sale of products excludes the amount of GST recovered. Accordingly, revenue from sale of products for the year ended March 31, 2019 is not comparable with that of the previous year. The following additional information is being provided to facilitate such understanding:

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

Particulars	31-Mar-19	31-Mar-18
Revenue from operations (sale of products)	948,303	849,784
Less: Excise duty	-	(22,174)
Revenue from operations (sale of products) excluding excise duty	948,303	827,610

(ii) Changes in accounting policies :

Effective April 1, 2018, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers" using the modified retrospective method, wherein the Company has elected to apply practical expedient for contracts that were not completed on or before March 31, 2018. Accordingly, the comparatives have not been retrospectively adjusted. The effect on adoption of Ind As 115 was insignificant on the financial statements.

(iii) No significant judgements have been made by the Company in applying Ind AS 115 that significantly affect the determination of the amount and timing of revenue from contracts with customers.

(iv) The Company has applied the practical expedient in Ind AS 115 and accordingly, not disclosed the aggregate transaction price allocated to 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.

(v) Reconciliation of revenue recognised with contract price :

Particulars	31-Mar-19
Contract Price	961,680
Adjustment for :	
Incentives to customers	(10,211)
	951,469

Note 18 (a) : Other income

Particulars	31-Mar-19	31-Mar-18
Interest income on financial assets measured at amortised cost	22,457	20,996
Government grant (i)	1,836	4,945
Scrap Sales	252	189
Insurance claim	-	74
Total other income	**24,545**	**26,204**

(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 18 (b) : Other gains/(losses)- (net)

Particulars	31-Mar-19	31-Mar-18
Net gain on disposal of property, plant and equipment	-	270
Net gain/(loss) on financial assets measured at fair value through profit and loss	13,746	13,203
Net gain/(loss) on sale of financial assets measured at fair value through profit and Loss	1,405	54
Liabilities and provision no longer required written back	331	39
Loss allowance no longer required written back	446	-
Total other gains/(losses)	**15,928**	**13,566**

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

Note 19 : Cost of material consumed

Particulars	31-Mar-19	31-Mar-18
Raw and packing materials at the beginning of the year	35,201	14,710
Add: Purchases	398,182	354,772
Less: Raw and packing materials at the end of the year	18,244	35,201
Total cost of material consumed	**415,139**	**334,281**

Note 20 : Changes in inventories of finished goods and work-in-progress

Particulars	31-Mar-19	31-Mar-18
Opening balance		
Work in Process	8,988	10,257
Finished goods	32,766	56,652
Total opening balance (a)	**41,754**	**66,909**
Closing balance		
Work in Process	11,473	8,988
Finished goods	57,035	32,766
Total closing balance (b)	**68,508**	**41,754**
(Decrease) in excise duty on finished goods (c)	-	(6,685)
Total changes in inventories of finished goods and work-in-progress (a-b+c)	**(26,754)**	**18,470**

Note 21 : Employee benefit expense

Particulars	31-Mar-19	31-Mar-18
Salaries, wages and bonus	64,208	60,464
Contribution to provident and other funds (Refer note 13)	10,217	9,223
Gratuity (Refer note 13)	2,136	2,127
Compensated absences	1,356	950
Staff welfare expenses	7,074	7,589
Total employee benefit expense	**84,991**	**80,353**

Note 22 : Depreciation and amortisation expense

Particulars	31-Mar-19	31-Mar-18
Depreciation on property, plant and equipment (Refer note 3)	23,979	18,688
Amortisation of other intangible assets (Refer note 5)	664	477
Total depreciation and amortisation expense	**24,643**	**19,165**

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

Note 23 : Other expenses

Particulars	31-Mar-19	31-Mar-18
Consumption of stores and spare parts	42,306	36,355
Power and fuel	339,665	261,321
Freight outward	61,302	64,932
Rent	1,229	1,438
Repairs to buildings	3,034	2,741
Repairs to machinery	8,000	12,245
Repairs to others	1,200	1,341
Net foreign exchange loss	280	317
Loss allowance	-	28
Royalty	3,438	3,227
Information technologies support service charges	8,432	6,506
Rates and taxes	1,395	2,569
Maintenance charges to UPSIDC (Refer note 23 (b) below)	11,101	-
Legal and professional expenses (Refer note 23 (a) below)	7,237	11,515
Insurance	4,154	4,237
Sales commission	27,813	21,425
Waste disposal	2,324	1,983
Loss on disposal of property, plant and equipment (net)	4,662	-
Capital work in progress written off	-	886
Miscellaneous Expenses	24,279	19,699
Total other expenses	**551,851**	**452,765**

Note 23 (a) : Details of payments to auditors

Particulars	31-Mar-19	31-Mar-18
As auditor :		
Statutory audit	1,200	1,650
Limited review	600	600
Other Services	75	750
Reimbursement of expenses	94	100
Total	**1,969**	**3,100**

Note 23 (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. 300 ('000) 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 Rs. 9,047 ('000) 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 revised demand included principal and interest on maintenance charges from September 1, 2015, to June 30, 2018. On May 1, 2019, Insilco paid such revised demand of Rs. 9,220 ('000) approximately including principal and interest on Maintenance Charges. Further, provision of Rs. 4,916 ('000) for maintenance charges for the period July 2018 to March 2019 has been created in the books of accounts.

Note 24: Finance costs

Particulars	31-Mar-19	31-Mar-18
Interest and finance charges on financial liabilities not at fair value through profit or loss	3,240	177
Interest on finance lease obligation	2	2
Total finance costs	**3,242**	**179**

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

Note 25: Income tax expense

Particulars	31-Mar-19	31-Mar-18
(a) Income tax expense		
Current tax		
Current tax on profits for the year	-	805
Adjustments for current tax of prior periods (write back pertains to the case becoming time barred)	-	(4,138)
Total current tax expense	**-**	**(3,333)**
Deferred tax		
Decrease / (increase) in deferred tax assets	-	-
(Decrease) / increase in deferred tax liabilities	(765)	110
Total deferred tax expense/(benefit)	**(765)**	**110**
Income tax expense	**(765)**	**(3,223)**

Particulars	31-Mar-19	31-Mar-18
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Profit before income tax expense	(61,170)	420
Tax at the Indian tax rate of 27.82% (2017-2018 – 33.063%)	(17,017)	139
Tax impact of fair value gain on mutual fund investments	-	5,946
Adjustments for current tax of prior periods	-	(4,138)
MAT adjustment related to write-off of capital work in progress	-	(4,786)
Other adjustments	754	(384)
Deferred tax not recognised on business losses of current year	17,028	-
Income tax expense	**765**	**(3,223)**

(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 2019-20. In the unlikely event that any adjustment is required consequent to completion of the study for the year ended March 31, 2019, 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 26: Related party transactions.

Name of entity	Place of business	Ownership interest 31-Mar-19	Ownership interest 31-Mar-18
(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 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 Iran AG	Iran		
Evonik IP GmbH	Germany		

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

(c) 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

(d) Key management personnel compensation

Particulars	31-Mar-19	31-Mar-18
Short-term employee benefits	9,604	8,747
Post-employment benefits	604	392
Long-term employee benefits	1,633	1,424
Directors sitting fees	680	840
Total compensation	**12,521**	**11,403**

(e) Transactions with related parties

The following transactions occurred with related parties:

Particulars	Holding Company & Intermediate Holding Company		Fellow Subsidiary	
	31-Mar-19	31-Mar-18	31-Mar-19	31-Mar-18
Sale of Goods:				
- Evonik Resource Efficiency GmbH	-	-	31,988	29,936
Commission on sales paid:				
- Evonik India Pvt. Ltd.	-	-	27,575	20,204
- Evonik Iran AG	-	-	-	1,135
SAP license, Lotus Notes and Microsoft license fee paid:				
- Evonik Industries AG	8,432	6,506	-	-
Royalty:				
- Evonik IP Gmbh	-	-	3,438	3,217
Reimbursement of expenses received:				
- Evonik India Pvt. Ltd.	-	-	57	91
- Evonik (Sea) Pte Ltd.	-	-	71	23
- Evonik Industries AG	-	531	-	-
Technical Know How				
- Evonik Technology and Infrastructure GmbH	-	-	630	-
Training Expenses paid:				
- Evonik Industries AG	272	-	-	-

(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-19	31-Mar-18
Trade payables		
Intermediate holding company		
Evonik Industries AG	938	1,957
Fellow Subsidiaries		
Evonik IP GmbH	928	800
Evonik Iran AG	-	348
Evonik Technology and Infrastructure GmbH	630	-
Evonik India Pvt. Ltd.	7,143	19,148
Total payables to related parties	**9,639**	**22,253**
Trade receivables		
Fellow Subsidiaries		
Evonik Resource Efficiency GmbH	-	20,424
Total Trade receivables	**-**	**20,424**
Other current assets		
Intermediate holding company		
Evonik Industries AG	-	531
Fellow Subsidiaries		
Evonik India Pvt. Ltd.	-	65
Evonik (Sea) Pte Ltd.	-	23
Total other current assets	**-**	**619**
Total receivables from related parties	**-**	**21,043**

Goods were sold to related party during the 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 27 : Contingent liabilities

Particulars	31-Mar-19	31-Mar-18
House tax matter		
Case pertaining to demand for payment of House Tax including penalty	15,000	14,375
Income tax matters		
Cases pending before Appellate authorities in respect of which the Company/department has filed appeals.	-	526
Sales tax matters		
Cases pending before Appellate authorities in respect of which the Company/department has filed appeals.	2,703	1,085
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	2,918	2,472
Total	**22,205**	**20,042**

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

(a) It is not practicable for the Company to estimate the timings of cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

(b) The Company does not expect any reimbursements in respect of the above contingent liabilities.

(c) "The Supreme Court of India has passed an order dated 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 is in the process of evaluating the impact of this recent Judgement and in the assessment of management, which is supported by legal advice, 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 year, responding to the Company's application to District Magistrate for issue of no objection certificate for its proposed LPG project at Gajraula, in this process, UPSIDC has 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 UPSIDC in the year 1989, to evaluate if any charges are payable. The Company has submitted the relevant available documents with UPSIDC. UPSIDC is yet to ascertain whether any amount is payable by the Company in this regard.

Note 28 (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-19	31-Mar-18
Property, plant and equipment * * Net of advances 31 March 2019 Rs. Nil ('000), 31 March 2018 Rs. 2,616 ('000).	3,594	7,116

Note 28 (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-19		31-Mar-18	
	Minimum lease payments	Present value of MLP	Minimum lease payments	Present value of MLP
Within one year	7	6	7	6
After one year but not more than five years	37	26	34	24
More than five years	780	60	790	60
Total minimum lease payments	824	92	831	90
Less : Amounts representing finance charges	(732)	-	(741)	-
Present value of minimum lease payments	92	92	90	90

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.

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

Note 29 : Earnings per share

Particulars	31-Mar-19	31-Mar-18
(a) Basic earnings per share		
Basic earnings per share attributable to the equity holders of the Company (Rs.)	(0.96)	0.06
(b) Diluted earnings per share		
Diluted earnings per share attributable to the equity holders of the Company (Rs.)	(0.96)	0.06
(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	(60,405)	3,643
Diluted earnings per share		
Profit attributable to equity share holders of the company used in calculating earnings per share	(60,405)	3,643
(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 30 : Fair value measurements

Financial instruments by category

Particulars	31-Mar-19			31-Mar-18		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Investments						
- Mutual funds	193,286	-	-	259,739	-	-
Loans						
- Loans to Employees	-	-	1,073	-	-	623
- Security Deposits	-	-	7,563	-	-	7,634
Trade receivables	-	-	165,773	-	-	179,247
Cash and cash equivalents	-	-	10,516	-	-	12,901
Other Bank Balances	-	-	295,000	-	-	292,000
Other Financial Assets	-	-	14,539	-	-	16,253
Total financial assets	**193,286**	**-**	**494,464**	**259,739**	**-**	**508,658**
Financial liabilities						
Borrowings	-	-	92	-	-	90
Trade payables	-	-	68,127	-	-	57,594
Other Financial Liabilities:						
- Derivatives Financial Liability	-	-	-	-	-	-
- Other Financial Liabilities	-	-	10,865	-	-	9,726
Total financial liabilities	**-**	**-**	**79,084**	**-**	**-**	**67,410**

(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 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
Total Financial Liability	**-**	**-**	**-**	**92**	**92**

Financial assets and liabilities measured at fair value - recurring fair value measurements	Notes	Level 1	Level 2	Level 3	Total
At 31 March 2018					
Financial Investments at FVPL					
Mutual funds	**9 (a)**	259,739	-	-	259,739
Total Financial Assets		**259,739**	**-**	**-**	**259,739**

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 2018					
Financial Assets					
- Loans to Employees	**6 (a)**	-	-	623	623
Total Financial Assets	**-**	**-**	**-**	**623**	**623**
Financial Liabilities					
- Borrowings	**12 (a)**	-	-	90	90
Total Financial Liability	**-**	**-**	**-**	**90**	**90**

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.

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.

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

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 non-current 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 since significant inputs required to fair value an instrument are observable. There is no material difference between carrying amount and fair value of non-current borrowings (finance lease obligation) as on 31 March 2019 and 31 March 2018.

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 2019 and 31 March 2018

Note 31 : 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 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**

Year ended 31 March 2018:

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	623	0%	-	**623**
		Security deposits	7,737	1.33%	103	**7,634**

(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 2017	661
Changes in loss allowance	28
Loss allowance on 31 March 2018	689
Changes in loss allowance	(445)
Loss allowance on 31 March 2019	244

Reconciliation of loss allowance provision - Security deposit	
Loss allowance on 1 April 2017	103
Changes in loss allowance	-
Loss allowance on 31 March 2018	103
Changes in loss allowance	-
Loss allowance on 31 March 2019	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-19	31-Mar-18
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) [2018 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-19	31-Mar-18
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	105,501	98,778
Financial assets		
First charge		
Trade receivables	165,773	179,247
Total Current assets pledged as security	**272,274**	**279,025**

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 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	**-**	**-**	**-**	**-**	**-**	**-**
31 March 2018						
Non-Derivatives						
Obligation under finance lease	-	-	7	34	790	831
Trade payables	57,124	411	59	-	-	57,594
Other financial liabilities	7,681	-	2,045	-	-	9,726
Total	**64,805**	**411**	**2,111**	**34**	**790**	**68,151**
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 March 2019		31 March 2018	
	USD	EUR	USD	EUR
Financial assets				
Trade receivables	44	-	508	-
Exposure to foreign currency risk (assets)	**44**	**-**	**508**	**-**
Financial liabilities				
Trade payables				
- Export commission payable	2	-	63	-
- Support services charges payable	-	31	-	1,957
Exposure to foreign currency risk (liabilities)	**2**	**31**	**63**	**1,957**

(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 March 2019	31 March 2018
NAV – increase - 4% (31 March 2018 2%)	7,731	5,195
NAV – decrease - 4% (31 March 2018 2%)	(7,731)	(5,195)

Note 32 : 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-19	31-Mar-18
India	892,624	797,684
Outside India	58,845	90,353
	951,469	888,037

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

ii) Revenues from transactions with two (31 March 2018: one) external customers amounting to 10 per cent or more of the Company's revenues is as follows

Particulars	For the year	
	31-Mar-19	31-Mar-18
Customers	201,784	96,930

iii) All the non-current assets of the Company are located in India.

Note No. 33: Impact of hedging activities

(a) Disclosure of effects of hedge accounting on financial performance :

31 March 2019

Type of hedge	Change in the value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item effected in statement of profit and loss because of the reclassification
Foreign exchange risk	-	-	-	NA
Deferred hedging gain/(losses)	-			
Deferred hedging gain/(losses) transferred to the carrying value of Property, Plant and Equipment	-			

31 March 2018

Type of hedge	Change in the value of hedging instrument recognised in other comprehensive income	Hedge ineffectiveness recognised in profit or loss	Amount reclassified from cash flow hedging reserve to profit or loss	Line item effected in statement of profit and loss because of the reclassification
Foreign exchange risk	-	-	-	NA
Deferred hedging gain/(losses)	659			
Deferred hedging gain/(losses) transferred to the carrying value of Property, Plant and Equipment	408			

Movement in cash flow hedging reserve

Risk category	Foreign currency risk	Total
Derivative instruments	**Foreign exchange forward contract**	
Cash flow hedging reserve **As at 1 April 2017**	(1,067)	(1,067)
Less: Amount reclassified to Property, Plant and Equipment	1,067	1,067
As at 31 March 2018	-	-
As at 31 March 2019	-	-

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

Note 34 : 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 35:

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. The Company had replied to the same a summary of which was sent to Bombay Stock Exchange vide the Company's letter dated January 22, 2018.

A consent for the calendar year 2018 under The Water (Prevention and Control of Pollution) Act, 1974 was issued to the Company by UPPCB and was available in its website on June 12, 2018. This consent dated May 8, 2018 included detailed conditions relating to discharge of the industrial effluent generated by the Company. One of the specific conditions interalia states 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 has received a final draft report dated 22nd November, 2018 from IIT Roorkee under its signature, which the Company has shared with UPPCB, with a request that professors of IIT Roorkee would like to meet UPPCB to discuss the said report before issuing the final report. The Company is yet to receive any communication from UPPCB in this regard.

The Company had applied for renewal of water and air consent in October 2018. UPPCB has issued few queries on the renewal application, which have been duly replied by the Company. Management continues to believe that the Company has a strong case in its favour, as the Company continues to comply with all the current pollutions norms applicable to it as mentioned in the consent order. However, it may be possible that the pollution authorities may come up with fresh requirement(s) for compliance in the conditions of consent, which will then have to be examined and considered.

Note 36:

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/-
Anupam Dhawan
Partner
Membership No. 084451

Place : Noida, Uttar Pradesh
Date : May 20, 2019

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

Sd/-
Dara P Mehta
Chairman/Director
DIN: 00041164

Sd/-
Brijesh Arora
Managing Director
DIN: 00952523

Sd/-
Shivangi Negi
Chief Financial Officer

Sd/-
Sarvesh Kr. Upadhyay
Company Secretary

Place : Noida, Uttar Pradesh
Date : May 20, 2019

FORM NO. MGT- 11
31TH ANNUAL GENERAL MEETING

PROXY FORM

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

INSILCO LIMITED

CIN: L34102UP1988PLC010141
Regd. Office: A-5, UPSIDC Industrial Area, Bhartiagram, Gajraula-244223, Uttar Pradesh
Tel: (0) 98378 23893, 98379 23893, **Fax:** (05924) 252348,
Website: www.insilcoindia.com, **Email:** Insilco@evonik.com

Name of the member(s):			
Registered address:			
E-mail ID:			
Folio No. / Client Id:		DP ID:	

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

1. Name: .... Address: ....
   E-mail Id : .... Signature:...or failing him;
2. Name: .... Address: ....
   E-mail Id : .... Signature:...or failing him;
3. Name: .... Address: ....
   E-mail Id : .... Signature:...

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 31th Annual General Meeting of the Company, to be held on Friday, the 13th September, 2019 at 11:00 a.m. at the Registered Office of the Company at A-5, UPSIDC Industrial Area, Bhartiagram, Gajraula -244223, Uttar Pradesh and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Nos.		Optional*	
Ordinary Business		**For**	**Against**
1.	To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March 2019 and the Profit & Loss Account for the year ended on that date along with the Reports of the Directors and Auditor thereon.		
2.	To appoint a Director in place of Mr. Brijesh Arora (DIN: 00952523), who retires by rotation and being eligible offers himself for re-appointment.		
Special Business			
3.	To Approve remuneration of Mr. Brijesh Arora – Managing Director (DIN: 00952523)		

Signed this .... day of 2019

Signature of shareholder(s) ....

Signature of Proxy holder(s) ....

Affix revenue stamp

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A Proxy need not be a member of the Company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. *This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

INSILCO LIMITED

EVONIK POWER TO CREATE

CIN: L34102UP1988PLC010141

Regd. Office: A-5, UPSIDC Industrial Area, Bhartiagram, Gajraula -244223,Uttar Pradesh

Tel: (0) 98378 23893, 98379 23893, **Fax:** (05924) 252348, **Website:** www.insilcoindia.com, **Email:** Insilco@evonik.com

31TH ANNUAL GENERAL MEETING

ATTENDANCE SLIP

*DP ID No. : ....

*Client ID No. : ....

Regd. Folio No. : ....

No. of Shares Held : ....

Name of Member/Members : ....

Name of Proxy : ....

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

I hereby register my presence at the 31th Annual General Meeting held on 13th September, 2019 at 11:00 a.m. at Registered Office of the Company situated at A-5, UPSIDC Industrial Area, Bhartiagram, Gajraula - 244223, Uttar Pradesh.

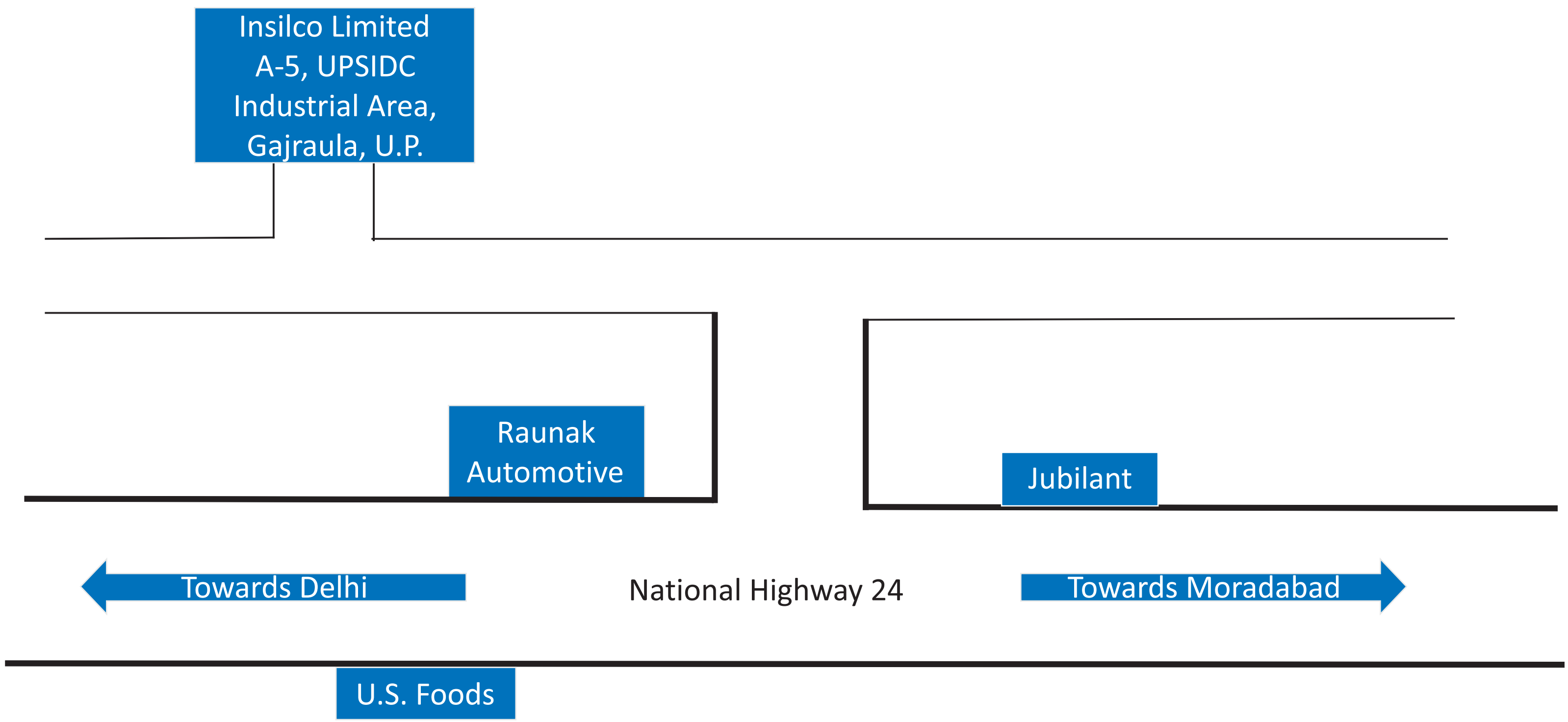
....

*Applicable for the investors holding shares in electronic form. Member(s)/Proxy's signature

Notes:

1) Member/Proxy attending the meeting must complete this attendance slip and hand it over at entrance.
2) Shareholders are requested to bring their copy of Annual Report for reference at the meeting.

Route map to reach at AGM of Insilco Limited



Note : This map is only indicative and must not be scaled

Registered Book-Post

If undelivered please return to:

INSILCO LIMITED

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