EVONIK
POWER TO CREATE

30th Annual Report 2017-18

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., Mumbai. 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), 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 approximately 26 years of rich experience in different fields of Business Management, Controlling, Finance, Accounts, Legal and Compliances. Mr. Brijesh Arora is associated with this Company for more than 11 years at different senior 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 approximately 31 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 30 years of rich and versatile experience, which includes extensive experience in specialty chemicals sector. Mr. Taneja started his career in 1987 as Production & Technical Manager for Degussa A.G., Germany (part of Evonik Group Company). Thereafter, he has served various key positions in Evonik. W.e.f. 1st January 2018, Mr. Taneja has been assigned with the responsibility as President of India Region & Managing Director of Evonik India Private Limited. Before his current responsibilities in India, he was working as Vice President South Asia Resource Efficiency Segment in Evonik Industries.

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

Ms. Sonia Prashar
(Independent Non-executive Director)

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

Ms. Prashar has approximately 22 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 approximately 21 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

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

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

BANKERS

BNP Paribas
State Bank of India
ICICI Bank

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
Ph : (0120) 4307910-12
Fax : (0120) 4165888
Email : insilco@evonik.com

REGISTRAR AND SHARE TRANSFER AGENT

MCS Share Transfer Agent Limited
F-65, 1st Floor,
Okhla Industrial Area,
Phase-I, New Delhi-110020
Phone : (011) 41406149-52
Fax : (011) 41709881
Email : helpdeskdelhi@mcsregistrars.com

COMPANY'S WEBSITE

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

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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 30th Annual General Meeting (AGM) of Insilco Limited will be held at the Registered Office of the Company as under:

Day & Date	:	**Tuesday, 24th July 2018**
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 2018 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. Christian Schlossnikl (DIN: 07557639), who retires by rotation and being eligible offers himself for re-appointment.

SPACIAL BUSINESS

3. **Appointment of Mr. Sanjeev Taneja as a Director**

   To consider and if thought fit, to pass the following Resolution as an **Ordinary Resolution :**

   “RESOLVED THAT Pursuant to the provisions of Section 161 of the Companies Act, 2013, applicable provisions of Articles of Association of the Company and any other provisions as may be applicable for the time being in force, Mr. Sanjeev Taneja (DIN: 08055630), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 1st February 2018 and who holds office upto the date of this meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013, proposing the candidature of Mr. Sanjeev Taneja for the office of Director, be and is hereby appointed as a Director (non-executive non-independent) of the Company liable to retire by rotation.

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

4. **Reappointment of Mr. Dara Phirozeshaw Mehta as an Independent Director of the Company for a 2nd Term**

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

   “RESOLVED THAT Mr. Dara Phirozeshaw Mehta (DIN : 00041164), currently approximately 85 years of age, who was appointed as an Independent Director by the Shareholders in the 26th Annual General Meeting (AGM) of the Company held in the year 2014 for a term of 5 consecutive years from 1st April 2014 to 31st March 2019, who meets the criteria of Independence as provided under Section 149(6) of the Companies Act, 2013 and pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, who is eligible for re-appointment and in respect of whom the Company has received a notice in writing under section 160 of the Companies Act, 2013 proposing his candidature for the office of Director and based on the recommendation of the Nomination and Remuneration Committee and approval of the Board of Directors, be and is hereby re-appointed, in accordance with Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and the corresponding Rules framed thereunder, as an Independent Director to hold office for a 2nd term of 5 (Five) consecutive years with effect from 1st April 2019.

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

By Order of the Board

Sd/-
Sarvesh Kumar Upadhyay
Company Secretary

Place : Noida
Date : 28th May 2018

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 13th July 2018 to 24th July 2018 (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 and 4 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 30th 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. E.g. 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 21st July 2018 (9.00 a.m.) and ends on 23rd July 2018 (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 18th July 2018, 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 18th July 2018.

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. 18th July 2018 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. Copies of Annual Report 2018 and the notice of 30th 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 2018 and Notice of 30th 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. As required under Clause 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter in this report referred as 'Listing Regulations'), the particulars of Directors seeking appointment/re-appointment are given in the **Annexure – A.**

15. 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.

16. 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.

17. 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.

18. 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: Appointment of Mr. Sanjeev Taneja (DIN: 08055630) as Director

Pursuant to the provisions of Section 161 of the Companies Act, 2013, on the recommendation of Nomination and Remuneration Committee of the Company, Mr. Sanjeev Taneja was appointed as an Additional Director w.e.f. 1st February 2018 by the Board of Directors of the Company to strengthen the Board. Mr. Sanjeev Taneja will hold office as an Additional Director upto the date of this Annual General Meeting.

Mr. Sanjeev Taneja was appointed in the category of non-executive non-independent Director. Accordingly, his appointment is proposed as a Director in the category of non-executive non-independent Director liable to retire by rotation. Mr. Sanjeev Taneja has approximately 30 years of rich and versatile experience, which includes extensive experience in specialty chemicals sector. Mr. Taneja started his career in 1987 as Production & Technical Manager for Degussa A.G., Germany (part of Evonik Group Company). Thereafter, he has served various key positions in Evonik. W.e.f. 1st January 2018, Mr. Taneja has been assigned with the responsibility as President of India Region & Managing Director of Evonik India Private Limited. Before his current responsibilities in India, he was working as Vice President South Asia Resource Efficiency Segment in Evonik Industries.

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

The Company has also received a notice proposing the candidature of Mr. Sanjeev Taneja for the office of Director of the Company under section 160 of the Companies Act, 2013.

The Board of Directors considers that in view of the background and experience of Mr. Sanjeev Taneja, it would be in the interest of the Company to appoint him as Director of the Company.

The draft terms and conditions of appointment of Mr. Taneja as Director shall be open for inspection at the Registered Office of the Company by any member during normal business hours (8.30 a.m. to 5.30 p.m.) on all working days until the date of the AGM.

The Board recommends the resolutions under item no. 3 for approval by the Members.

Except Mr. Sanjeev Taneja, no other Director(s) or Key Managerial Personnel of the Company or their relatives is concerned or interested, financial or otherwise, in the Resolution set out at Item No. 3. Disclosure pursuant to regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is set out in the 'Annexure A' to the Explanatory Statement. Other details as required under ICSI Secretarial Standard SS-2 are also included in the Corporate Governance Report of the Annual Report of the Company.

Item No. 4: Reappointment of Mr. Dara Phirozeshaw Mehta (DIN : 00041164) as an Independent Director of the Company for a 2nd Term

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 (Five) consecutive years effective from 1st April 2014 i.e. until 31st March 2019. Under Section 149 of the Companies Act, 2013 (the 'Act'), an Independent Director is eligible for reappointment subject to the passing of a Special Resolution. Mr. Dara Phirozeshaw Mehta, being eligible and offering himself for reappointment, is proposed to be appointed as an Independent Director for a 2nd term of 5 (Five) years with effect from 1st April 2019. The Company has received a notice proposing his candidature under Section 160 of the Act.

In the opinion of the Board, Mr. Dara Phirozeshaw Mehta fulfils the conditions specified in the Act and the Rules made thereunder for his reappointment 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 knowledge, specialization and expertise. Details on his attendance at various Board and Committee Meetings held during the last financial year are included in the Corporate Governance Report of the Annual Report. A copy of the letter proposing the reappointment of Mr. Dara Phirozeshaw Mehta as an Independent Director setting out the terms and conditions of his appointment is available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours (8.30 a.m. to 5.30 p.m.) on any working day until the date of AGM.

The shareholders are also informed that Securities and Exchange Board of India vide its notification dated 9th May 2018 has amended clause 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which requires that "No listed entity shall appoint a person or continue the directorship of any person as a non-executive director who has attained the age of 75 years unless a special resolution is passed to that effect, in which case the explanatory statement annexed to the notice for such motion shall indicate the justification for appointing such a person." This provision will come into force w.e.f. 1st April 2019.

The shareholders are further informed that the current age of Mr. Mehta is approximately 85 years. As Mr. Mehta's appointment is proposed as an Independent Non-executive Director, he will be covered under the previously mentioned amended clause 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 w.e.f. 1st April 2019.

The justification for appointing Mr. Mehta for his 2nd term is given in the attached **Annexure A**. The Board believes that the Company will continue to be benefitted from Mr. Mehta's immense experience and expertise in various areas.

The Board of Directors of your Company recommends the Resolution in relation to the reappointment of Mr. Dara Phirozeshaw Mehta, who is approximately 85 years of age, as an Independent Director, for approval by the shareholders of the Company as a Special Resolution.

Except Mr. Dara Phirozeshaw Mehta, no other Director(s) or Key Managerial Personnel of the Company or their relatives is concerned or interested, financial or otherwise, in the Resolution set out at Item No. 4. Disclosure pursuant to regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is set out in the **Annexure A** to the Explanatory Statement. Other details as required under ICSI Secretarial Standard SS-2 are also included in the Corporate Governance Report of the Annual Report of the Company.

Annexure-A

Details of the Directors seeking appointment / reappointment at the 30th AGM (Pursuant to Clause 36 of Listing Regulations)

1. Name of the Director : Mr. Christian Schlossnikl

Date of Birth	23rd March 1961
Date of appointment	4th August 2016
Qualifications	Master of Business Administration (University of Krems), Postgraduate course of Business Administration and Law (Technical University of Vienna) and Course on Plastics Technology (Montanistic University of Leoben).
Expertise in specific functional area	He has approximately 31 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.
Directorships held in other listed companies	Nil
Memberships / Chairmanships of Committees in other listed Companies	Nil
Memberships / Chairmanships of Committees in the Company	Member – Nomination and Remuneration Committee
Shareholding, if any, in the Company	Nil
Disclosure of relationship between Directors inter-se	Not related to any director of the Company.

2. Name of the Director : Mr. Sanjeev Taneja

Date of Birth	13th December 1961
Date of appointment	1st February 2018
Qualifications	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.
Expertise in specific functional area	He has approximately 30 years of rich and versatile experience, which includes extensive experience in specialty chemicals sector. Mr. Taneja started his career in 1987 as Production & Technical Manager for Degussa A.G., Germany (part of Evonik Group Company). Thereafter, he has served various key positions in Evonik. W.e.f. 1st January 2018, Mr. Taneja has been assigned with the responsibility as President of India Region & Managing Director of Evonik India Private Limited. Before his current responsibilities in India, he was working as Vice President South Asia Resource Efficiency Segment in Evonik Industries.
Directorships held in other listed companies	Nil
Memberships / Chairmanships of Committees in other listed Companies	Nil
Memberships / Chairmanships of Committees in the Company	Member - Audit Committee Member - Stakeholders' Relationship Committee Member - Nomination and Remuneration Committee Member - Complaints Committee (under prevention of Sexual Harassment Policy)
Shareholding, if any, in the Company	Nil
Disclosure of relationship between Directors inter-se	Not related to any director of the Company.

3. **Name of the Director : Mr. Dara Phirozeshaw Mehta**

(Justification for appointment of Mr. Mehta who is approximately 85 years of age)

Date of Birth	13th July 1933
Date of appointment	31st December 2005
Qualifications	He holds a B.A. degree from Bombay University, an LL.B. degree from Poona University and an LL.M. degree from Harvard University.
Expertise in specific functional area	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 is still in active practice as a partner emeritus of Little & Co., Mumbai. 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.
Directorships held in other listed companies	Goa Carbon Limited
Memberships / Chairmanships of Committees in other listed Companies	Goa Carbon Limited Chairman - Audit Committee
Memberships / Chairmanships of Committees in the Company	Chairman - Audit Committee Chairman - Stakeholders' Relationship Committee Member - Nomination and Remuneration Committee
Shareholding, if any, in the Company	Nil
Disclosure of relationship between Directors inter-se	Not related to any director of the Company.
Other information	The Board and its allied Committees of Insilco Limited have benefitted from his knowledge, specialization and expertise. He has attended all the Board, its Committee Meetings and Annual General Meeting during the financial year 2017-18 and has been very active during all the said meetings. Details on his attendance at various Board and Committee Meetings held during the last financial year are included in the Corporate Governance Report of the Annual Report. 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.

By Order of the Board

Sd/-
Sarvesh Kumar Upadhyay
Company Secretary

Place : Noida
Date : 28th May 2018

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 30th Annual Report together with the Audited Accounts for the Financial Year ended March 31, 2018.

1. EXTRACTS OF THE ANNUAL RETURN

I. Registration and Other Details

Corporate Identity Number (CIN)	L34102UP1988PLC010141
Name of the Company	Insilco Limited
Registration Date	19th October 1988
Category/Sub category of the Company	Limited by Shares and having share capital
Address of the Registered Office and Contact Details	A-5, UPSIDC Industrial Area, P.O. Bhartiagram, Gajraula, Uttar Pradesh-244 223, India Contact Details : Contact No. : 09837923893, 09837823893, Fax No. : (05924) 252348 Email : Insilco@evonik.com Website : www.insilcoindia.com
Whether Listed Company, if yes, name of the Stock Exchange where listed	Yes, at Bombay Stock Exchange Limited (BSE)
Scrip ID at BSE	500211
Name, Address and Contact details of Registrar and Transfer Agent	MCS Share Transfer Agent Limited F-65, 1st Floor, Okhla Industrial Area, Phase – I, New Delhi – 110020 Contact Details : Contact No. : (011) 41406149-52 Fax No. : (011) 41709881 E-mail : helpdeskdelhi@mcsregistrars.com

II. Principal Business Activity of the Company

Business activity contributing 10% or more of the total turnover of the Company.

Name and Description of main products/services	NIC Code of the Product/ Service	% to total turnover of the Company
Precipitated Silica	20116	100%

III. Particulars of Holding, Subsidiary and Associate Companies

Name & Address of the Company	CIN/GLN	Holding/Subsidiary/Associate	% of Shares held	Applicable Section
Evonik Degussa GmbH Rellinghauser Strasse 1-1145128, Essen, Germany	Not Applicable	Holding	73.11	2(46)

Your Company does not have any Subsidiary or Associate Company.

IV. Shareholding Pattern (Equity Share Capital Breakup as Percentage of Total Equity)

i) Category-wise Shareholding

S. No.	Category of Shareholder	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	**Promoters**									
	Foreign									
	Bodies Corporate	11,357,645	34,495,670	45,853,315	73.11	45,853,315	0	45,853,315	73.11	0.00
	Total Share holding of Promoter (A)	**11,357,645**	**34,495,670**	**45,853,315**	**73.11**	**45,853,315**	**0**	**45,853,315**	**73.11**	**0.00**
(B)	**Public shareholding**									
(1)	**Institutions**									
(a)	Mutual Funds/ UTI	0	14,060	14,060	0.02	0	14,060	14,060	0.02	0.00
(b)	Financial Institutions/ Banks	330	23,350	23,680	0.04	330	23,350	23,680	0.04	0.00
(c)	Foreign Institutional Investors	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (B)(1)	**330**	**37,410**	**37,740**	**0.06**	**330**	**37,410**	**37,740**	**0.06**	**0.00**
(2)	**Non-institutions**									
(a)	Bodies Corporate									
(i)	Indian	2,364,504	82,880	2,447,384	3.90	2,229,881	82,280	23,12,161	3.69	(0.21)
(ii)	Overseas	165,080	0	165,080	0.26	165,080	0	165,080	0.26	0.00
(b)	Individuals									
(i)	Individual shareholders holding nominal share capital up to Rs 1 lakh	7,447,011	2,633,027	10,080,038	16.08	7,674,245	2,556,947	10,231,192	16.31	0.23
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	4,063,275	0	4,063,275	6.48	3,992,840	0	3,992,840	6.37	(0.11)
(c)	Any Other									
(i)	Non Resident Indians	66,858	1,270	68,128	0.11	121,362	1,270	122,632	0.20	0.09
(ii)	Trust	40	0	40	0.00	40	0	40	0.00	0.00
Sub-Total (B)(2)		**14,106,768**	**2,717,177**	**16,823,945**	**26.83**	**14,183,448**	**2,640,497**	**16,823,945**	**26.83**	**0.00**
Total Public Shareholding (B)= (B)(1)+(B)(2)		**14,107,098**	**2,754,587**	**16,861,685**	**26.89**	**14,183,778**	**2,677,907**	**16,861,685**	**26.89**	**0.00**
GRAND TOTAL (A)+(B)		**25,464,743**	**37,250,257**	**62,715,000**	**100**	**60,037,093**	**2,677,907**	**62,715,000**	**100**	**0.00**

ii) **Shareholding of promoters**

Share holders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	
Evonik Degussa GmbH	45,853,315	73.11	0.00	45,853,315	73.11	0.00	0.00

iii) ***Change in Promoters' Shareholding:*** There was no change in the promoters' Shareholding during the Financial Year 2017-18. As on 31st March 2017, the dematerialized shares of promoter were 11,357,645 out of a total shareholding of 45,853,315. By 31st March 2018, the entire shareholding was converted into dematerialsed mode.

iv) ***Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):*** The shareholding pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs) is attached as **Annexure 1**.

v) ***Shareholding of Directors and Key Managerial Personnel:*** Directors or Key Managerial Personnel did not have any shareholding in the Company during the Financial Year 2017-18.

V. Indebtedness

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

VI. Remuneration of Directors and Key Managerial Personnel:

A. Remuneration to Managing Director and Whole-time Director

(Amount in Rs.)

S. No.	Particulars of Remuneration	Name of Managing Director (MD)/ Whole-time Director	Total
		Mr. Brijesh Arora (MD)	
1	**Gross salary**		
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	6,048,640	**6,048,640**
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	489,233	**489,233**
	(c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961	-	**-**
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission		
	a. As % of profit	-	-
	b. Other, specify	-	-
5	Other, please specify	-	-
	Total (A)	**6,537,873**	**6,537,873**
	Ceiling as per the Act[1]	16,800,000	16,800,000

[1] Remuneration paid is within the limit calculated as per provisions of Section II, Part II of Schedule V of the Companies Act, 2013 , which does not include (i) contribution to PF, superannuation fund or annuity fund to the extent either singly or put together are not taxable under the Income-tax Act, 1961, (ii) Gratuity payable at a rate not exceeding half a month's salary for each completed year of service and (iii) encashment of leave at the end of the tenure.

B. Remuneration to Other Directors **(Amount in Rs.)**

S. No.	Particulars	Fee for attending Board & Committee Meetings	Commission	Others, please specify	Total
I.	**Independent Directors**				
1	Mr. Dara Phirozeshaw Mehta	500,000	-	-	500,000
2	Ms. Sonia Prashar	340,000	-	-	340,000
	Total (I)	**840,000**	-	-	**840,000**
II.	**Other Non-executive Directors**				
1	Ms. Meng Tang	-	-	-	-
2	Mr. Harish Kumar Kanaiyalal Davey[2]	-	-	-	-
3	Mr. Christian Schlossnikl	-	-	-	-
4	Mr. Sanjeev Taneja[3]	-	-	-	-
	Total (II)	-	-	-	-
	Total (I + II) (B)	**840,000**	-	-	**840,000**
	Overall ceiling as per the Companies Act, 2013	The ceiling for independent directors are such sum as may be decided by the Board of directors thereof which shall not exceed one lakh rupees per meeting of the Board or committee thereof. The ceiling for other non-executive directors are 1% of the net profits of the Company calculated as per Section 198 of the Companies Act, 2013.			
	Total Managerial Remuneration (A + B)				**7,377,873**

D. Remuneration to Key Managerial Personnel other than MD/Manager/WTD **(Amount in Rs.)**

S. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Ms. Shivangi Negi (CFO)	**Mr. Sarvesh Kr. Upadhyay (Company Secretary)**	
1	**Gross salary**			
	(a) Salary as per the provisions contained in Section 17(1) of the Income-tax Act, 1961	1,265,880	1,112,400	**2,378,280**
	(b) Value of perquisites under section 17(2) of Income-tax Act, 1961	67,871	6,055	**73,926**
	(c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961	-	-	**-**
2	Stock Option	-	-	**-**
3	Sweat Equity	-	-	**-**
4	Commission			
	a. As % of profit	-	-	**-**
	b. Other, specify	-	-	**-**
5	Other, specify	-	-	**-**
	Total (A)	**1,333,751**	**1,118,455**	**2,452,206**

VII. Penalties / Punishment / Compounding of Offences: There was no penalty / punishment / compounding fee imposed on the Company / Directors / any other officer of the Company under the provisions of the Companies Act, 2013.

[2] Mr. Davey ceased to be a Director w.e.f. 10th July 2017 due to his unfortunate death.

[3] Mr. Sanjeev Taneja was appointed as an Additional Director w.e.f. 1st February 2018.

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

The Board duly met 5 times in the Financial Year 2017-18 on 16th May 2017, 18th July 2017, 5th September 2017, 4th December 2017 and 1st February 2018. 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 appointment and remuneration including criteria for determining qualification, term/tenure, positive attributes, independence of Directors, criteria for performance evaluation of Executive and Non-executive Directors (including Independent Directors), removal, policy on Board diversity, Directors and Officers' Insurance and other matters as prescribed under the provisions of the Companies Act, 2013 and the Listing Regulations. The said policy of the Company is attached as **Annexure-2** to this report.

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 2017-18. The Secretarial Audit Report issued by the said firm is attached to this report as **Annexure-3.**

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.

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**

Particulars of Contracts or arrangements with related parties are given in form AOC 2 which is attached as **Annexure-4** 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: http://www.insilcoindia.com/policies.htm.

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 31.03.2018	Year Ended 31.03.2017
Gross Turnover	888.04	957.85
Less: Excise duty	(22.17)	(91.43)
Turnover (net of excise duty)	865.87	866.42
Other Income	39.77	66.90
Total Expenditure (excluding excise duty)	(886.05)	(855.68)
Profit before Depreciation & Exceptional Items	19.59	77.64
Depreciation	(19.17)	(17.17)
Profit/ (Loss) for the year before exceptional items	0.42	60.47
Exceptional items	-	(4.16)
Profit/(Loss) before tax	0.42	56.31
(Provision for)/Release of Taxation	3.22	(7.24)
Profit/(Loss) after tax	3.64	49.07
Other comprehensive income	1.65	(2.63)
Total comprehensive income for the year	5.29	46.44

B. Results of Operations

Sales of Precipitated Silica during the year were 15,207 MT (previous year 14,939 MT). The Production during the year was 14,857 MT (previous year 15,023 MT).

Your Company achieved a sales turnover of Rs. 888 million during the year as compared to Rs. 958 million in the previous year. The sales turnover during the year includes excise duty of Rs. 22 million as compared to Rs. 91 million in previous year. The excise duty of Rs. 22 million is for 3 months (April 17 to June 17) as it was discontinued effective 1st July 2017 upon implementation of the Goods and Service Tax (GST) in India whereas Rs. 91 million is for 12 months (April 16 to March 17). GST is not considered as part of sales turnover. The sales turnover (net of excise duty) during the year is Rs. 865.87 million as compared to Rs. 866.42 million in previous year. The Company recorded a profit before depreciation and exceptional items of Rs. 19.59 million as compared to profit of Rs. 77.64 million in the previous Financial Year. The Company had reserves of Rs. 380 Million as on 1st April 2017. The total comprehensive income for the Financial Year 2017-18 was Rs. 5 Million.

The Company is endeavoring to increase its turnover and profit. The Company is looking for optimum utilization of its assets and other resources so that the journey of profitable growth is continued. With the support of Evonik, we continue to make efforts to optimize energy utilization, manufacture high quality products, improve plant safety, improve efficiency and higher capacity utilization. We are providing quality product, application and technical support and overall service to the Customers.

C. Future Outlook

The financial year 2017-18 has been a year marked with both excitement and challenges for the Indian economy. Structural changes have been made in the indirect tax system by the introduction of Goods and Service Tax (GST). The effect of demonetization and implementation of Goods and Service Tax seems to be over now and it is expected that it will boost the economy. Organized players like us would be long term beneficiaries of the same. GST data shows significant rise in the number of taxpayers. The GDP growth for Financial year 2018-19 is expected in the range of 7% to 7.5%. The Indian economy is improving and showing potential for growth.

Your Company continues to enjoy a high standing with its customers because of its quality, value added services and strong technical support from parent Company. Besides, it is actively considering the installation of a "Propane LPG project" at its plant to reduce the energy costs and is pursuing all growth opportunities to improve the results. The quality conscious customers are showing faith in our quality products. The Company is actively trying to increase its customer base. It has added some new customers and also regained some lost customers. However, 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 silica applications in all these industries are growing rapidly. The Company is continuously improving safety, plant condition, efficiency and yield. The Company is actively pushing growth opportunities to use the unutilized production capacity and improve product mix.

Others

- Evonik India Private Limited (EIPL) is handling the marketing and sales promotions of the products of the Company in India, Bangladesh and Srilanka. Until 30th June 2017, EIPL was getting a commission of 2% on the net sales of Insilco Limited within India excluding sales made through dealers/distributors in India, though EIPL was responsible for the sales of dealers/distributors in India. EIPL was also responsible for the sales in Bangladesh and Srilanka, however, they were not eligible for any commission on the same. W.e.f. 1st July 2017, EIPL has become eligible for commission of 3.25% on the net sales of Insilco Limited within India including sales through dealers/distributors in India. Commission for sales in Bangladesh and Srilanka has been introduced at the rate of 1.5% and 1% respectively with effect from 1st July 2017.
- The Board has approved capital expenditures for Propane LPG Project, Distributed Control System, roof of Dryer Chamber, Autoclave Weighing System, and Firefighting Equipments etc. Our parent Company Evonik is providing technical support wherever required.
- These financial statements are the first financial statements of the Company under Indian Accounting Standard (IND AS) as per the Companies (Indian Accounting Standards) Rules, 2015. The financial statements up to the year ended 31st March 2017 were prepared in accordance with the accounting standards notified under the Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.
- Please refer to note 38 of the audited financial results for the financial year 2017-18 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

10. TRANSFER TO RESERVES

The Company had reserves of Rs. 380 Million as on 1st April 2017. The total comprehensive income for the Financial Year 2017-18 was Rs. 5 Million. Therefore, the closing balance of the reserves and surplus as on 31st March 2018 amounted to Rs. 385 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

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

The details of conservation of energy, technology absorption, foreign exchange earning and outgo during the year are as follows:

A. Conservation of Energy

Your Company always emphasizes on conservation of Energy and Natural Resources. The Company is giving priority to energy conservation measures including a regular review of energy generation, consumption and effective control on utilization of energy.

The Company has reduced product change over time in the production process and improved energy efficiency.

During the financial year 2017-18, the Board has approved a switch in the source of energy from High Speed Diesel to propane-LPG system for drying activity by implementing propane-LPG system at the Gajraula Plant of the Company. This will result in a significant cost reduction.

Due to plant upgradation system, fuel efficiency has improved and overall energy consumption (Power & HSD) has reduced per ton of Silica.

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 2018**	**Year ended 31st March 2017**
a) Total Foreign Exchange earned	8,671	3,939
b) Total Foreign Exchange used	10,104	9,152

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 product rates 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 product rates are significantly higher than those of competitors

Current Status of Action Taken :

To minimize the aforesaid risk, the Board had earlier approved to switch the source of energy from High Speed Diesel to Coal for drying activity by implementing a Coal Fired Hot Air Unit at Gajraula Plant of the Company. Accordingly, the following activities were completed in respect of the Coal project:

1. NOC for Coal Project has been received from UPPCB, Lucknow.
2. Basic & Extended basic engineering of tube bundle is completed.
3. Required information for HAZOP safety analysis has been provided to Evonik and it is under evaluation.

Meanwhile on 18th July 2017, the Board resolved to explore other sources of energy for the drying activity in the manufacturing process besides the Coal Project to reduce existing cost of energy. Accordingly, after evaluation by Evonik, Germany, the installation of propane-LPG system was approved by the Board of Insilco on 4th December 2017. In this regard, the Company has received approval from Petroleum & Explosives Safety Organisation (PESO), Ministry of Commerce & Industry. The Company had applied to Uttar Pradesh Pollution Control Board (UPPCB) for a No Objection Certificate in December 2017. The Company is also in the process of obtaining approvals from other appropriate authorities.

The Company is also continuing a system of tracking of its vendor's raw material cost 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 members are hereby further informed that there was a case pending in the Hon'ble National Green Tribunal (NGT) for cleaning of river Ganga. The NGT has pronounced its detailed judgement dated 13th July 2017 in the said matter. The complete details of this matter is given below in point no. 15 i.e. "Ganga Cleaning Matter with NGT".

Water and Air Consent

The Company has already received electronic approval in May 2018. The physical copy of the consent orders alongwith detailed conditions are yet to be received.

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 your Company received a letter from Uttar Pradesh Pollution Control Board (UPPCB) dated 27th January 2017 calling upon it to appear before the National Green Tribunal (NGT) on 6th February 2017 in the matter of M. C. Mehta Vs. Union of India and Others (Original Application No. 200/2014) i.e. matter of cleaning of Ganga. The said letter was issued to various industrial units located near the Bagad River. On 6th February 2017, NGT issued a show cause notice to all the industrial units at Gajraula on the ground of pollution including Insilco Limited and asked as to why they should not be directed to shut down their units forthwith. The Company had filed its detailed reply with NGT.

However, the matter was not heard and on 24th April 2017, the NGT formed a special high power inspection team consisting of various high level government officials (hereinafter referred as 'Joint Inspection Team') and directed them to visit Industries in Gajraula Industrial Area on 25th April 2017 and to report their observations on 26th April 2017 to NGT. The Joint Inspection Team visited 13 industries in Gajraula and submitted their observations verbally to the NGT on 26th April 2017. The NGT passed its order dated 26th April 2017 on the basis of the verbal observations explained to the NGT. For Insilco Limited, the order of NGT dated 26th April 2017 inter-alia stated that *Insilco is using fresh water for dilution of treated effluent which is impermissible. Insilco is prescribed with the limit of Sodium Absorption Ratio (SAR). Since Insilco has to maintain that ratio, rather than treating the same appropriately, it is diluted by adding fresh water and with Magnesium Sulphate so that it does not exceed the prescribed limit. This is practically a fraud being played.* Similarly, the said order included various negative comments for other industries in Gajraula.

Based on these observations, the NGT ordered the shut down of all the 13 units including Insilco Limited in Gajraula Industrial Area. NGT has given an option to them to come up with future plans of compliance for resuming operability of the Company and in this regard the matter was scheduled to be heard on 8th May 2017.

The shareholders are hereby informed that the aforesaid order of the NGT dated 26th April 2017 was not on the merits and that our plant at Gajraula has always been in full compliance with the applicable pollution norms.

The report of the Joint Inspection Team was uploaded on the website of Central Pollution Control Board on late evening of 4th May 2017.

The observations of the said report for Insilco were that:

1. The industry 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 recommended that (i) the unit shall stop using fresh water dilution for reducing the SAR in order to comply with the consent condition; (ii) 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 UPPCB.

Insilco Limited filed its reply in the NGT on 5th May 2017 along with a reply to the observations/recommendations made in the report of the Joint Inspection Team. The reply of Insilco Limited filed with NGT, inter alia, included the following points reply to the observations of the said report:

1. That no TDS limit has been prescribed for Insilco Limited in the water consent conditions and all such applicable conditions of consent to operate are being complied with.
2. That Insilco Limited does not fall within the Red Category of Industries of Central Pollution Control Board (CPCB) / Ministry of Environment and Forest (MOEF) and is also not included in the 17 categories of highly / seriously polluting industries identified by CPCB and MOEF, such as Pharmaceuticals, Chlor Alkali, Fertilizers,

Pesticides, Petrochemicals, Large Power Plants, Cement, Aluminum, Zinc, Copper, Iron & Steel, Large Pulp & Paper, Distillery, Sugar, Oil Refinery, Dye and dye intermediate and Tannery. That the CPCB as per the advice of NGT has come out with ZLD requirement for industries and ZLD is prescribed only for 5 industries i.e. Distillery, Tannery, Textiles, Pharmaceuticals and Dye and Dye Intermediaries. Insilco Limited does not fall under these prescribed industries and hence the requirement of ZLD is not applicable on Insilco.

3. That for recovery of salt (Na2SO4) with any appropriate system and exploring the possibilities of re-use of treated water, Insilco Limited has reached out to various recognized scientific institutions of the country, including Delhi Technological University (DTU) (Formerly known as Delhi College of Engineering); The Indian Institute of Technology (IIT), Kanpur; and the Department of Chemical Engineering, Malaviya National Institute of Technology, Jaipur for availing of their assistance and expertise in finding some techno-commercial viable method for the following:
   i. Reducing Sodium Sulphate to the maximum extent possible and recover the same for other uses in terms of the suggestion made in the Report;
   ii. Reduce water consumption in the manufacturing process in terms of the suggestion made in the Report; and
   iii. Recycle and reuse of treated water in terms of the suggestion made in the Report.
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 the recommendations with regard to ZLD were not practical for our plant and pollution authority should prescribe some appropriate method. After the hearing, the Plant of the Company was allowed to resume operations subject to the following directions:

1. The industry would pay a sum of INR 1.5 Million voluntarily and it is only upon payment of that amount to the Central Pollution Control Board (CPCB) that it would be permitted to operate.
2. The industry will comply with all the recommendations and directions contained in the Joint Inspection Report immediately and without delay and default.
3. In regard to Zero Liquid Discharge (ZLD) and whether the dilution of 1/1 should be permitted, the industry would put forward it case before the Joint Inspection Team which will offer its comments and place the Report before the Tribunal.
4. The industry will obtain positively the permission from the CGWA now without any delay.
5. The Joint Inspection Team shall place complete and comprehensive Report including the source, quantum and quality of the ground water that is being extracted.
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.

Pursuant to the order of NGT dated 8th May 2017, Insilco deposited INR 1.5 Million with Central Pollution Control Board on 9th May 2017 and restarted its production from late evening of 9th May 2017.

As directed by the NGT in its order dated 8th May 2017, the Joint Inspection Team visited the plant of Insilco at Gajraula on 23rd May 2017. The existing full compliance status along with the measures taken for improvement were explained by the Company to the inspection team. However, as on the date of the signing of this report, the Company is yet to receive the report of the Joint Inspection Team. The NGT, on 13th July 2017 pronounced its detailed judgement in this matter where it has given certain specific directions with respect to Bagad River (drain), besides general directions, which are as follows:

Specific Directions

a) The Bagad river (drain) inclusive of Mahua, should be cleaned, dredged and maintained as a river or storm water drain.
b) All the 12 industries located in the catchment area of this drain, which are highly polluting should be put under strict surveillance by the UPPCB as well as the Joint Inspection Team.
c) The Joint Inspection Team has already been directed to inspect these industries to conform with appropriate conditions for permitting and operating all these functions.
d) These industries have been directed to comply with the conditions of the consent order and directions issued by the Joint Inspection Team under the provisions of the Water (Prevention and Control of Pollution) Act, 1974 and the Environmental (Protection) Act, 1986.

e) In the event of these industries not complying with such directions, they shall be liable to be closed without any further notice.

f) The Joint Inspection Team and the UPPCB shall submit compliance report in relation to these industries before the Tribunal upon regular intervals.

The detailed judgement of the NGT dated 13th July 2017 can be accessed at the website of NGT at the following link: http://www.greentribunal.gov.in/judge_courtI.aspx. It can be searched through 'party name' or 'date of judgement' or 'bench judgement i.e. court-I'.

The Company has also filed a Caveat before the NGT so that no inspection reports can be taken on record / no orders be passed in the matter without service of report on the Company and nothing be done in this regard without giving an opportunity to the Company of being heard.

After the above judgement dated 13th July 2017, the following important developments/correspondence have taken place:

- The Company had received a letter dated 13th November 2017 from Central Pollution Control Board, based on inspection of special high power committee, asking for appropriate reason/clarification about high TDS effluent discharge.

  Insilco had replied to the said letter stating that Insilco has been complying with the conditions under issued water consent order by UPPCB. We have further stated 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 SAR limit which is being complied with along with all other conditions of water consent issued by UPPCB.

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

- The Company had received a letter dated 12th January 2018 from UPPCB intimating various observations of joint inspection team which had inspected Insilco's factory at Gajraula on 23rd May 2017 pursuant to the order of Hon'ble NGT dated 8th May 2017.

  The observations were as follows:

  1. The Unit required to recalculate the dosing of magnesium sulphate to meet the SAR standard.
  2. In a time bound manner the unit shall discontinue the present chemical addition (10 Tons of $MgSO_4$) and further dilution of ground water (1800 to 2000 KLD) to meet the prescribed SAR value (26). Instead unit may switch over to complete ZLD (Zero Liquid Discharge technology) system to save ground water and wastage of chemicals for neutralization. Presence of Fluoride (5 to 6 mg/1) also indicates that rather than dilution, ZLD may be the only option for achieving and continuity of the unit.
  3. Presence of inorganic pollutants in the storm water indicates poor operation and maintenance of the plant and suspected partial diversion of effluent or negligent handling of sludge by the unit, which may require further investigation.
  4. The Unit shall operate STPs continuously.
  5. Closure of the unit may be considered, if the unit failed to provide the time bound action plan for achieving ZLD.

  Insilco had replied to the said letter on 19th January 2018. Point wise **summary** of the reply is as follows:

  1&2. Insilco has appointed 'Indian Institute of Technology, Roorkee' (IIT-R) to carry on R & D activity for "investigation of a few alternative remedies to mitigate the high sulphate / high Total Dissolved Solid (TDS) in wastewater of our plant and suggestion for economical viable solution with its capex cost and operating cost. These observations will be addressed after the receipt of final report of IIT-R.

  Insilco's letter also explained to UPPCB that SAR was imposed specifically on the unit of Insilco pursuant to the order of Hon'ble Supreme Court, with which Insilco has been complying along with other applicable pollution norms and consents.

  3. Insilco had mentioned that it has also been getting the samples at Effluent Treatment Plant (ETP) outlet (from V-notch) tested by a third party on a regular basis and the value of fluoride remains in the range of 1 to 1.5 mg/l. The IIT-R had also taken the sample for their testing and their interim report concludes Fluoride values as 1.6 mg/l in final discharge. Insilco had requested UPPCB, that, if required, they could collect the sample again which could be sent to testing to any independent agency or IIT-R.
  4. Insilco had said that for the best interest of the Company and environment, it will operate its STPs.
  5. Insilco had stated that it had appointed IIT-R to carry on R & D activity for "investigation of a few alternative remedies to mitigate the high sulphate / high Total Dissolved Solid (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-R, options of ZLD could be explored.

Insilco had further explained to UPPCB that on Insilco's industry ZLD could not be achieved and the reasons of the same given were as follows:

- Central Pollution Control Board's (CPCB's) in one of its guidelines has instructed all pollution control boards and other departments that the ZLD requirement is possible **only** for the few specified industries and Insilco is not falling into those specified industries. Insilco in its letter also said 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 is 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), of which Insilco Limited is one of the respondent, has inter-alia, categorically instructed pollution authorities that ZLD would not be applied to the industrial units straight away and it shall be on a 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.

  Insilco had also said that it had received an NOC from Central Ground Water Authority (CGWA) for Ground Water Abstraction.

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

Further, requirement to achieve ZLD is a highly energy intensive process and by adopting ZLD the carbon Foot print will be increased which is against our National Climate Change Policy.

The Company has received electronic approval in response to its application for renewal of air and water consent. Physical approval of air and water consent along with detailed conditions to operate is yet to be received.

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: http://www.insilcoindia.com/policies.htm .

17. CORPORATE SOCIAL RESPONSIBILITY (CSR) OF THE COMPANY

Pursuant to the provisions of Section 135 of the Companies Act, 2013, CSR policy does not apply to your Company. Accordingly, your Company has not formed CSR Committee.

18. 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 said criteria are aligned with the SEBI circular dated 5th January 2017 on 'Guidance Note on Board Evaluation'. The evaluation includes various criteria including performance, knowledge, roles and responsibilities etc.

The Board of Directors has evaluated its Committees, Individual Directors (i.e. Executive and Non-executive Director) and the Board itself. After evaluation, the Board found their performances upto the mark and satisfactory. The Nomination and Remuneration Committee has also evaluated the individual performance of each Director and found it satisfactory.

19. 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: http://www.insilcoindia.com/policies.htm.

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)

Sad demise of Mr. Harishkumar Kanaiyalal Davey

With huge regret, the Shareholders are hereby informed of the sad demise of Mr. Davey on 10th July 2017. Mr. Davey joined the Board on 4th August 2016. In his short tenure, Mr. Davey made a significant contribution to the sound management of the business of the Company. The unexpected passing away of Mr. Davey will be an irreparable loss to the Company and all the directors and the employees of the Company convey deep sympathy, sorrow and condolences to his family.

We bid farewell to our esteemed Director with deep mourning and gratitude.

Change in Directors and KMP

To strengthen the Board, the Board had appointed Mr. Sanjeev Taneja as an Additional Director (Non-Executive Non-Independent Director) of the Company with effect from 1st February 2018. Mr. Sanjeev Taneja will hold office as an Additional Director up to the date of 30th AGM. In the said AGM, the Shareholders of the Company will consider the appointment of Mr. Sanjeev Taneja as a Director of the company liable to retire by rotation.

Mr. Sanjeev Taneja has approximately 30 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. W.e.f. 1st January 2018, Mr. Taneja has been assigned with the responsibility as President of India Region & Managing Director of Evonik India Private Limited. Before his current responsibilities in India, he was working as Vice President South Asia Resource Efficiency Segment in Evonik Industries.

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

Term of Independent Directors

The date of commencement of first term of five consecutive years of the below Independent directors are given below along with date of approval by Shareholders:

S. No.	Name of Independent Directors	Date of starting first term	Date of approval in AGM
1	Mr. Dara Phirozeshaw Mehta	1st April 2014	14th August 2014
2	Ms. Sonia Prashar	4th August 2016	26th September 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, is proposed to be appointed as an Independent Director for a 2nd term of 5 years with effect from 1st April 2019.

In the opinion of the Board, Mr. Dara Phirozeshaw Mehta fulfils the conditions specified in the Act and rules made thereunder 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 last financial year are included in the Corporate Governance Report of the Annual Report.

The Board of Directors of your Company recommends the Resolution in relation to the appointment of Mr. Dara Phirozeshaw Mehta as an Independent Director, for the approval by the shareholders of the Company as a Special Resolution.

Directors retiring by rotation

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

Statement on declaration given by Independent Directors

The members are informed that Independent Directors have given a declaration that they meet the criteria of independence as provided in sub-section 6 of the Section 149 of the Companies Act, 2013.

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.

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 2017-18 was 15.61 : 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 2017 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 2017)**
Mr. Brijesh Arora	Managing Director	16.0%
Ms. Shivangi Negi	KMP (Chief Financial Officer)	12.3%
Mr. Sarvesh Kumar Upadhyay	KMP (Company Secretary)	14.6%

d. Percentage increase in the median remuneration of employees

The percentage increase in the median remuneration of employees in the Financial Year 2017-18 was 8.2%.

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

As on 31st March 2018, your Company had 109 permanent employees on the rolls of the Company. The same does not include trainees.

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 2017-18**
Average percentage increase in the salaries of employee other than Managerial Personnel	10.2%
Average percentage increase in salary of Managerial Personnel (Mr. Brijesh Arora - Managing Director)	16.0%

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 2017-18 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 2017-18 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 2017-18 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 2017-18

S. No.	Name (In Alphabetical Order)	Designation (as on 31st March 2018)
1	Mr. Anurag Srivastava	Senior Manager - Human Resource & Administration
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
5	Mr. Manoj Kumar	Dy. 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. Pursuant to the provisions of Section 139 of the Companies Act, 2013, the said appointment was subject to ratification by members at every AGM.

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.

In view of the above order, our Statutory Auditor is eligible to conduct audit for the financial year 2018-19. However, SAT may pass orders against PW firms before 31st March 2019. 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 2019 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 2017-18

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 2017-18, the Company is required to maintain cost records. 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 2018. The certificate of Cost records, if any, of the Company will be presented before the Audit Committee/Board in due course of time.

The contact details of JSN & Co., Cost Accountant (Registration No. 000455) are given below:

- Address : M-11, Shastri Nagar, Near Inderlok Metro Station, Delhi - 110052
- E-mail : cwapuneetjain@gmail.com
- Mobile : 9868271940, 8076381794, 9599575690

Maintenance of Cost Records for the Financial Year 2016-17

The Company was required to maintain cost records for the Financial Year 2016-17. The Board had appointed Ajay Ahuja & Associates (Registration No. 101142) for maintenance of Cost Records of the products of the Company for the Financial Year ended 31st March 2017. The report/certificate of Mr. Ajay Ahuja was placed before the Board in its meeting dated 5th September 2017.

26. PRACTISING COMPANY SECRETARY

Nityanand Singh & Co., Practicing Company Secretary having its office at 14, 2nd Floor, Arjun Nagar, Safdarjung Enclave, New Delhi-110029 are the present practising Company Secretary of the Company.

27. 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 2018		
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.

28. 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.

29. DEPOSITS

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

30. 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.

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

The Company has laid down proper and adequate internal financial control 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".

32. OPERATIONS AT PLANT

The Plant operations had to be shut down a few times during the year due to high inventory and low sales volume.

33. GUIDING PRINCIPLES OF COLLABORATION : RESOURCE EFFICIENCY BUSINESS UNIT OF EVONIK

Insilco Limited is a part of the Resource efficiency business unit of Evonik. All operations of Insilco Limited are carried out in accordance with the guiding principles of collaboration of Resource Efficiency, which are as follows:

- We pursue excellence by continuous development of people, organization and processes.
- We foster a culture of open, frank and constructive communication.
- We put the customer at the heart of our activities.
- We base our interactions on mutual trust, respect and acceptance.
- We foster creativity and focus on innovation as the basis for our success.
- We utilize all means of diversity for more thoughtful and complete elaboration of solutions.
- We value initiative and acknowledge and learn from failure.
- We act as exemplary role model and drive our activities through ethical and sustainable decisions.
- We work safely to protect ourselves, our colleagues and the environment.

34. 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.

35. 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.

36. 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.

37. 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.

During the financial year 2016-17, the availability of raw materials, water and power supply remained normal.

38. 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.

39. CERTIFICATIONS AND RECOGNITIONS

Our plant at Gajraula is certified under the Environment Management Standard ISO 14001-2004 and Quality Management Standard ISO 9001-2008. We have also obtained 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.

40. 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 - 5 and 5.3** 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 - 5.1**.

iii. Certificate from Managing Director and Chief Financial Officer regarding correctness of the financial statements presented to the Board is attached as **Annexure - 5.2**.

41. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to the provisions of the Listing Regulations, a Management Discussions and Analysis Report is enclosed as **Annexure - 6** forming part of Annual Report.

42. COMPLIANCE OF SECRETARIAL STANDARDS

The Company has followed all the applicable compliances of the applicable Secretarial Standards.

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

44. 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.

45. REPORTING OF FRAUD BY AUDITORS PURSUANT TO SECTION 143(12) OF THE COMPANIES ACT, 2013

There was no fraud reported by the Auditor to the Audit Committee or to the Board.

46. INDUSTRIAL RELATIONS

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

47. 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.

48. 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 : **28th May 2018**

Annexure - 1

Shareholding Pattern of top 10 Shareholders (other than Directors, Promotors and Holders of GDRs and ADRs)

S. No.	Name and Folio No. of Shareholders	Shareholding at the beginning of the year		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	ISHVAM PORTFOLIO PVT. LTD.	454765	0.73	31-03-2017				
				28-07-2017	-10001	Sale	444764	0.71
				15-09-2017	-3087	Sale	441677	0.7
				27-10-2017	-1000	Sale	440677	0.7
		440677	0.70	31-03-2018				
2	JINDAL SECURITIES PVT. LTD.	393778	0.63	31-03-2017				
				28-07-2017	-100	Sale	393678	0.63
		393678	0.63	31-03-2018				
3	DHARAM CHAND BAHETI	352995	0.56	31-03-2017				
		352995	0.56	31-03-2018				
4	UNIQUE SECURITIES PVT. LTD.	183388	0.29	31-03-2017				
				16-03-2018	-2864	Sale	180524	0.29
		180524	0.29	31-03-2018				
5	SONEX INVESTMENTS LTD.	165080	0.26	31-03-2017				
		165080	0.26	31-03-2018				
6	KESHAV BHALOTIA	0	0	31-03-2017				
				28-07-2017	150000	Purchase	150000	0.24
		150000	0.24	31-03-2018				
7	ANIL JINDAL	117200	0.19	31-03-2017				
				28-07-2017	-2200	Sale	115000	0.18
		115000	0.18	31-03-2018				
8	RURAL ENGINEERING CO.	115000	0.18	31-03-2017				
	PVT. LTD.	115000	0.18	31-03-2018				
9	DOON REALTORS PVT. LTD.	111770	0.18	31-03-2017				
		111770	0.18	31-03-2018				
10	RAJESH KUMAR SOMANI	100000	0.16	31-03-2017				
				19-01-2018	-423	Sale	99577	0.16
				26-01-2018	-4755	Sale	94822	0.15
				23-02-2018	178	Purchase	95000	0.15
		95000	0.15	31-03-2018				
11	VIJIT GUPTA	89679	0.14	31-03-2017				
		89679	0.14	31-03-2018				

Annexure 2

NOMINATION AND REMUNERATION POLICY

Introduction:

This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Committee and approved by the Board of Directors.

Objectives of the Committee:

The Committee shall:

i. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees.

ii. Formulation of criteria for evaluation of performance of Independent Director and the Board

iii. Devising a policy on Board diversity.

iv. Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.

v. Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.

vi. Identify whether to extend or continue the term of appointment of the Independent Director on the basis of the report of their performance evaluation.

Effective Date: The following policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors at its meeting held on 14th August, 2014.

Definitions:

- "Board":-Board means Board of Directors of the Company.
- "Director":-Directors means Directors of the Company.
- "Committee":-Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, from time to time.
- "Company":- Company means Insilco Limited.
- "Independent Director":- As defined and amended from time to time under the provisions of Companies Act, 2013 and / or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- "Key Managerial Personnel":- As defined and amended from time to time under the provisions of Companies Act, 2013
- "Senior Management":- As defined and amended from time to time under the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Applicability:-

The Policy is applicable to

- Directors (Executive and Non Executive)
- Key Managerial Personnel
- Senior Management Personnel

Constitution of the Nomination and Remuneration Committee:

The Board has the power to constitute/ reconstitute the Committee from time to time in order to make it consistent with the Company's policy and applicable statutory requirement.

General Appointment Criteria:

i. The Committee shall consider the ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and accordingly recommend to the Board his / her appointment.

ii. The Company should ensure that the person so appointed as Director/ Independent Director/ KMP/ Senior Management Personnel shall not be disqualified under the Companies Act, 2013, rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as 'Listing Regulations') or any other enactment for the time being in force.

iii. The Director/ Independent Director/ KMP/ Senior Management Personnel shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, rules made thereunder, Listing Regulations or any other enactment for the time being in force.

Additional Criteria for Appointment of Independent Directors:

The Committee shall consider qualifications for Independent Directors as mentioned in herein earlier under the head 'Definitions' and also their appointment shall be governed as per the provisions of Listing Regulations (as amended from time to time) and Companies Act, 2013.

Term / Tenure:

The Term / Tenure of the Directors shall be governed as per provisions of the Companies Act, 2013 and rules made thereunder as amended from time to time.

Removal:

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

Criteria for Evaluation of Independent Director and the Board:

Following are the Criteria for evaluation of performance of Independent Directors and the Board:

1. **Executive Directors:**

   The Executive Directors shall be evaluated on the basis of targets / Criteria given to executive Directors by the board from time to time

2. **Non Executive Director:**

   The Non Executive Directors shall be evaluated on the basis of the following criteria i.e. whether they:

   (a) act objectively and constructively while exercising their duties;

   (b) exercise their responsibilities in a bona fide manner in the interest of the company;

   (c) devote sufficient time and attention to their professional obligations for informed and balanced decision making;

   (d) do not abuse their position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;

   (e) refrain from any action that would lead to loss of his independence

   (f) inform the Board immediately when they lose their independence,

   (g) assist the company in implementing the best corporate governance practices.

   (h) strive to attend all meetings of the Board of Directors and the Committees;

   (i) participate constructively and actively in the committees of the Board in which they are chairpersons or members;

   (j) strive to attend the general meetings of the company;

   (k) keep themselves well informed about the company and the external environment in which it operates;

   (l) do not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;

   (m) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

   (n) abide by Company's Memorandum and Articles of Association, company's policies and procedures including code of conduct, insider trading guidelines etc.

Policy on Board diversity:

The Board of Directors shall have the optimum combination of Directors from the different areas / fields like production, Management, Quality Assurance, Finance, Sales and Marketing, Supply chain, Research and Development , Human Resources etc or as may be considered appropriate.

The Board shall have at atleast one Board member who has accounting or related financial management expertise and atleast three members who are financially literate.

Remuneration

1. **Remuneration at the time of Appointment:**

   The Nomination and Remuneration Committee will recommend to the Board the remuneration of Directors (executive or non-executive), Key Managerial Personnel and Senior Management. After the approval of Board, such remuneration will be effective.

   Approval of Shareholders, if required, will be obtained pursuant to the provisions of the Companies Act, 2013 and/ or Listing Regulations (as may be amended from time to time).

2. **Annual Increment, Midterm/special increment, promotions, change in designations etc.**

   For Directors (executive or non-executive), it will be approved jointly by any of the Independent Director and Non-Independent Director.

   For 'Key Managerial Personnel' and 'Senior Management', it will be approved by Managing Director and Head of Human Resource (HR) of the Company.

   Such Annual Increment, Midterm/special increment, promotions, change in designations etc. will be subject to subsequent ratification by the Board of Directors of the Company.

   Approval of Shareholders, if required, will be obtained pursuant to the provisions of the Companies Act, 2013 and/ or Listing Regulations (as may be amended from time to time).

   The level and composition of remuneration so determined by the Committee shall be reasonable and sufficient to attract, retain and motivate directors, Key Managerial Personnel and Senior Management of the quality required to run the company successfully. The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks. The remuneration should also involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals:

   1. **Director/ Managing Director**

      Besides the above Criteria, the Remuneration/ compensation/ commission etc to be paid to Director/ Managing Director etc shall be governed as per provisions of the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

   2. **Non executive Independent Directors**

      The Non-Executive Independent Director may receive remuneration by way of sitting fees for attending meetings of Board or Committee thereof or for any other purpose whatsoever as may be decided by the Board. Provided that the amount of such fees shall not exceed the amount as may be prescribed under Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force. Such sitting fee shall be exclusive of any remuneration payable to Non-Executive Independent Director under Section 197(1) of the Companies Act 2013.

   3. **KMPs / Senior Management Personnel**

      The Remuneration to be paid to KMPs/ Senior Management Personnel shall be based on the experience, qualification and expertise of the related personnel and governed by the limits, if any prescribed under the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

   4. **Other Employees**

      The remuneration to be paid to other employees shall be decided and approved by Head of Human Resource department and Managing Director of the Company jointly.

   5. **Directors and Officers' Insurance**

      Where any insurance is taken by the Company on behalf of its Directors, KMPs/ Senior Management Personnel etc. for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel.

Conformity with the Act/Listing Regulations

This policy is in conformity with the provisions of the Companies Act, 2013 and Listing Regulations. However, if due to subsequent changes in the Act/Listing Regulations, a particular clause or any part of this policy becomes inconsistent with the Act/Listing Regulations, the provisions of the Act / Listing Regulations shall prevail.

For Insilco Limited

Sd/-
Dara P. Mehta
Chairman of the Board

Date : 1st February 2018

Annexure 3

Form No. MR-3

SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31st March, 2018

[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, 2018, 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, 2018, 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 (Delisting of Equity Shares) Regulations, 2009; and
   f. 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

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

i) Secretarial Standards issued by The Institute of Company Secretaries of India.
ii) SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015.

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

We further report that during the audit period following specific events/ actions were taken by the Company, which have major bearing on the Company's affairs in pursuance of the act, rules, regulations, guidelines, standards etc. referred 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 : 15th May 2018

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 : 15th May 2018

ANNEXURE - 4

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	29,936,160[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. 27 of the notes to financial statements for the year ended 31st March 2018.
- 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 : 28th May 2018

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

Annexure 5

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2017-18

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 2018, the Board has 6 (six) Members comprising 1 (one) Executive and 5 (five) Non-Executive Directors. Out of 5 (five) Non-Executive Directors, 2 (two) are Independent Directors. There are 2 (two) women Director including 1 (one) Independent Director. The Chairman of the Board is an Independent Director. 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. Changes during the Financial Year 2017-18 in the Board of the Company is explained in detail under the head "Directors & Key Managerial Personnel" in the Directors' Report of this Annual Report.

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 2018.

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 2018 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	Additional Director	2	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.

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 2017-18

Five (5) Board Meetings were held during the Financial Year ended 31st March 2018. 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 2017-18 are as under:

S.No.	Date	Board Strength	No. of Directors Present
1	16th May 2017[3]	6	4
2	18th July 2017	5	2
3	5th September 2017	5	4
4	4th December 2017	5	5
5	1st February 2018[4]	6	5

C. ATTENDANCE OF DIRECTORS AT BOARD MEETINGS HELD DURING THE FINANCIAL YEAR 2017-2018 AND AT THE 29TH ANNUAL GENERAL MEETING (AGM)

Name of the Director	Attendance		Whether Attended last AGM held on 5th Sept 2017
	No. of Meetings held during the tenure	Meetings Attended	
Mr. Dara Phirozeshaw Mehta	5	5	Yes
Mr. Brijesh Arora	5	5	Yes
Mr. Christian Schlossnikl	5	3	No
Mr. Harishkumar K. Davey[3]	1	-	N.A.
Ms. Meng Tang	5	2	Yes
Ms. Sonia Prashar	5	4	Yes
Mr. Sanjeev Taneja[4]	1	1	Not Applicable

[3] Due to unfortunate death of Mr. Davey on 10th July 2017, he ceased to be a Director of the Company from said date.
[4] Mr. Sanjeev Taneja was appointed as an Additional Director in this Board Meeting. He has been counted for the purpose of Board Strength and no. of Directors present.

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 2018. A Declaration of Managing Director regarding compliance with Code of Conduct by Directors and Senior Management Personnel is attached as **Annexure-5.1.**

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. FAMILIARIZATION PROGRAME FOR INDEPENDENT DIRECTORS

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

https://www.insilcoindia.com/Pdf/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 Sexual Harassment Policy)
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 alongwith terms of reference of these Committees and details of the Committee meetings held during the Financial Year 2017-18 and other related informations 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

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

The Audit Committee has the following powers:

1. To investigate any activity within its terms of reference.

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

The role of the Audit Committee includes the following:

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

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

B. Composition

As on 31st March 2018, 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 2018 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 29th Annual General Meeting of the Company held on 5th September 2017 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 2017-18

4 (Four) Audit Committee Meetings were held during the Financial Year ended 31st March 2018. 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	16th May 2017	3	2
2	5th September 2017	3	2
3	4th December 2017	3	3
4	1st February 2018	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 2017-18:

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. Harish Kumar Kanaiyalal Davey[5]	1	-
Mr. Sanjeev Taneja[6]	1	1

[5] Due to unfortunate death of Mr. Davey on 10th July 2017, he ceased to be a member of the Committee from said date.
[6] Mr. Sanjeev Taneja was appointed as Member of the Committee with effect from 1st February 2018.

3.2 NOMINATION AND REMUNERATION COMMITTEE

A. Terms of Reference

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.

The above terms of reference are in line with the provisions of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

B. Composition

As on 31st March 2018, 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.

During the Financial Year 2017-18, due to unfortunate demise of Mr. Harish Kumar Kanaiyalal Davey on 10thJuly 2017, he ceased to be a member of this Committee from said date. Thereafter, Mr. Christian Schlossnikl was appointed as member of this Committee w.e.f. 5th September 2017. This Committee was again reconstituted on 1st February 2018 and Mr. Sanjeev Taneja was inducted as member in the Committee w.e.f. 1st February 2018 in place of Mr. Christian Schlossnikl.

The composition of the Nomination and Remuneration Committee as on 31st March 2018 is given below:

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

Two Nomination and Remuneration Committee Meetings were held during the Financial Year ended 31st March 2018. 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	16th May 2017	4	3
2	1st February 2018	3	3

Attendance at Nomination and Remuneration Committee Meeting held on 16th May 2017 and 1st February 2018:

Name of Members	Attendance	
	No. of Meetings held during the tenure	Meetings Attended
Ms. Sonia Prashar	2	2
Mr. Dara P. Mehta	2	2
Mr. Christian Schlossnikl	2	2
Mr. Harishkumar Kanaiyalal Davey	1	-
Mr. Sanjeev Taneja[7]	-	-

[7] During the tenure of Mr. Sanjeev Taneja as members of this Committee, no meeting of this Committee was convened.

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 2017-18 is as under:

(Amount in Rs.)

Salaries	Benefits	Performance linked Incentive/Bonus*	Retirement Benefits**	Perquisites***	Total
32,64,000	2,137,608	826,240	868,080	76,100	7,172,028
3,264,000	**2,137,608**	**826,240**	**868,080**	**76,100**	**7,172,028**

Note:

* At the beginning of the financial year 2017-18, the opening balance of the performance linked incentive/ bonus was Rs. 165,526/-. During the financial year 2017-18, the Company made a provision for Rs.867,274/- as performance linked incentive/bonus. The Board approved Rs. 826,240/- as performance linked incentive/bonus to Mr. Brijesh Arora till 31st December 2017 which was paid to Mr. Brijesh Arora in February 2018. Accordingly, the total provision for performance linked incentive/bonus as on 31st March 2018 was Rs. 206,560/- 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

(iii) Leadership & Human Resource

(iv) Environment, Safety, Health & Quality (ESHQ), Cost, Customer Service and Audit Compliance

(v) Compliance to requirement of public listed Company

** Retirement benefits for Mr. Brijesh Arora do not include provision for leave encashment and contribution to gratuity fund, as such separate figures are not available.

*** 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 2018.

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 2017-18 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	200,000	120,000	120,000	60,000	**500,000**
Ms. Sonia Prashar	160,000	120,000	N.A.	60,000	**340,000**

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.

During the Financial Year 2017-18, due to unfortunate demise of Mr. Harishkumar Kanaiyalal Davey on 10th July 2017, he ceased to be a member of this Committee from said date. This Committee was again reconstituted on 1st February 2018 and Mr. Sanjeev Taneja was inducted as member in the Committee w.e.f. 1st February 2018.

As on 31st March 2018, 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 2018. 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	16th May 2017	3	2
2	5th September 2017	2	2
3	4th December 2017	2	2
4	1st February 2018	3	3

D. Attendance at Stakeholders' Relationship Committee Meetings held during the Financial Year 2017-2018:

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. Harishkumar K Davey	1	-
Mr. Sanjeev Taneja	1	1

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 2017-18 is as follows:

Opening	Received during the F.Y. 2017-18	Resolved during the F.Y. 2017-18	Closing
0	18	18	0

Further, it was also confirmed that all the complaints resolved during the Financial Year 2017-18 are solved to the satisfaction of the shareholders.

3.4 OTHER COMMITTEES

3.4.1 COMPLAINTS COMMITTEE (UNDER SEXUAL HARASSMENT POLICY)

Pursuant to the Company's Sexual Harassment Policy, a Complaints Committee has also been formed. During the Financial Year 2017-18, due to unfortunate demise of Mr. Harishkumar Kanaiyalal Davey on 10th July 2017, he ceased to be a member of this Committee from said date. Thereafter, Mr. Christian Schlossnikl was appointed as member of this Committee w.e.f. 5th September 2017. This Committee was again reconstituted on 1st February 2018 and Mr. Sanjeev Taneja was inducted as member in the Committee w.e.f. 1st February 2018 in place of Mr. Christian Schlossnikl.

As on 31st March 2018, the said Committee consists of the following members:

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

As no complaint was received during the year under said policy, the Complaints Committee did not meet anytime during the Financial Year 2017-18.

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 2018, the committee was consisting the following members:

Name of Members	Designation
Mr. 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 2017-18. The details are as under :

S.No.	Date	Committee Strength	No. of Members Present
1	11th April 2017	4	3
2	17th April 2017	4	4
3	11th May 2017	4	3
4	30th May 2017	4	3
5	12th June 2017	4	2
6	27th June 2017	4	4
7	14th July 2017	4	3
8	25th July 2017	4	3
9	14th August 2017	4	3
10	22nd August 2017	4	3
11	11th September 2017	4	3
12	19th September 2017	4	3
13	4th October 2017	4	3
14	27th October 2017	4	3
15	06th November 2017	4	3
16	16th November 2017	4	4
17	06th December 2017	4	3
18	26th December 2017	4	3
19	10th January 2018	4	3
20	31st January 2018	4	3
21	12th February 2018	4	3
22	22nd February 2018	4	3
23	5th March 2018	4	3
24	26th March 2018	4	2

D. Attendance at Share Transfer Committee Meetings held during the Financial Year 2017-18:

The Committee strength and no. of members present in the meeting during the Financial Year 2017-18 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	3
Ms. Shivangi Negi, Member	24	23
Mr. Sarvesh Kumar Upadhyay, Member	24	23

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 2017-18 no meeting was required to be held.

As on 31st March 2018, 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
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.
27th AGM	Wednesday, 12th August 2015	10:30 a.m.	A-5, UPSIDC Industrial Estate, Bhartiagram, Gajraula-244223, Uttar Pradesh	1. Appointment and fixation of remuneration of Mr. Brijesh Arora as Whole-time Director of the Company designated as “Joint Managing Director” for a period of 3 years with effect from 1st March 2015 at a remuneration not exceeding Rs. 6,000,000/- per annum as may be decided by the Board, which will be reviewed annually with effect from 1st April 2016 onwards. 2. Pursuant to the provisions of the Companies Act, 2013, approval of new set of Articles of Association of the Company substituting and superseding the existing Articles of Associations of the Company. 3. Pursuant to the provisions of the Companies Act, 2013, approval of amendment in Memorandum of Association of the Company.

5.1 Disclosures related to Postal Ballot

During the Financial year ended 31st March 2018 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 2019, as per the prescribed procedure under the Companies Act, 2013 and Listing Regulations.

6. MEANS OF COMMUNICATION

Quarterly Results: The quarterly results of the Company are announced within 45 (forty five) days of completion of each quarter. Audited Annual Results are announced within 60 (sixty) days from the end of the Financial Year. The Company regularly intimates unaudited as well as audited financial results to the stock exchange, immediately after these are approved by the Board. The quarterly and annual financial results are normally published in "Business Standard" Newspaper - All India Edition (English Language) and "Business Standard" (Vernacular Language). The Company also ensures that financial results are promptly and prominently displayed on Company's Website www.insilcoindia.com. 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 2017-18 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 2017-18 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

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

9. CEO/CFO CERTIFICATION

The Certificate required under Regulation 17 of the Listing Regulations duly signed by Managing Director and Chief Financial Officer has been placed before the Board in its the meeting held on 28th May 2018. Copy of the same is attached as **Annexure-5.2** to this report.

10. GENERAL SHAREHOLDERS INFORMATION

10.1 Particulars of ensuing Annual General Meeting

Date	24th July 2018
Time	11:00 A.M.
Day	Tuesday
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	13th July 2018 to 24th July 2018
Dividend Payment Dates	No dividend has been recommended for the Financial Year 2017-18.

10.2 Listing on Stock Exchange (With Stock Code)

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

10.3 Listing Fee

Annual listing fee for the year 2017-2018 has been paid to Bombay Stock Exchange.

10.4 ISIN No. in NSDL & CDSL

INE901A01011

10.5 Stock Market Data

The Monthly High/Low stock prices of Company Equity Shares at Bombay Stock Exchange and BSE Sensex during Financial Year 2017-2018 are given below:

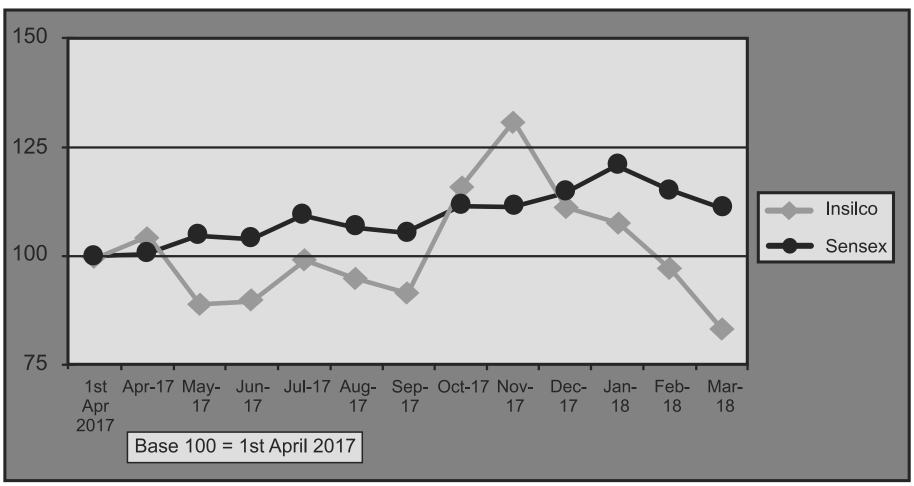
Month	Bombay Stock Exchange			
	Insilco Share Price		BSE Sensex	
	High (Rs.)	Low (Rs.)	High	Low
Apr 2017	30.00	25.80	30,184.22	29,241.48
May 2017	27.50	22.85	31,255.28	29,804.12
Jun 2017	24.90	22.35	31,522.87	30,680.66
Jul 2017	28.75	22.50	32,672.66	31,017.11
Aug 2017	27.25	23.00	32,686.48	31,128.02
Sep 2017	25.90	23.00	32,524.11	31,081.83
Oct 2017	30.25	23.10	33,340.17	31,440.48
Nov 2017	36.65	29.70	33,865.95	32,683.59
Dec 2017	35.40	28.00	34,137.97	32,565.16
Jan 2018	32.80	27.30	36,443.98	33,703.37
Feb 2018	29.00	24.00	36,256.83	33,482.81
Mar 2018	26.30	21.00	34,278.63	32,483.84

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 2017-18 is given in the chart below:

INSILCO Closing Price vs. BSE Sensex Closing April 2017 to March 2018



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 2018 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, Germany (Formerly Degussa GmbH), Foreign Promoter	-	-	45,853,315	73.11	45,853,315	73.11
Others	2,677,907	4.27	14,183,778	22.62	16,861,685	26.89
Total	**2,677,907**	**4.27**	**60,037,093**	**95.73**	**62,715,000**	**100.00**

10.10 As on 31st March 2018, 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	4,772,007	7.61	35,870	91.13
501 to 1000	1,539,493	2.46	1,859	4.72
1001 to 2000	1,180,399	1.88	762	1.94
2001 to 3000	677,665	1.08	260	0.66
3001 to 4000	415,589	0.66	114	0.29
4001 to 5000	721,415	1.15	150	0.38
5001 to 10000	1,375,255	2.19	186	0.47
10001 to 50000	3,075,778	4.91	134	0.34
50001 to 100000	1,079,360	1.72	15	0.04
100001 and above	47,878,039	76.34	10	0.03
Total	62,715,000	100.00	39,360	100.00

10.11 Shareholding Pattern of the Company as on 31st March 2018:

Category	No. of Shares	% to total
Promoters - Evonik Degussa GmbH (Formerly Degussa GmbH)	45,853,315	73.11
Residents (Individual)	14,224,032	22.68
Financial Institutions and Banks	23,680	0.04
Non-Resident Individuals/ OCBs	287,712	0.46
Indian Corporate Bodies/ Trusts	2,312,201	3.69
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 except elsewhere mentioned in this report.

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

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 5.3** to this report.

13. OTHER DISCLOSURES

- There were no materially significant related party transactions of the Company, which have potential conflict with the interest of the Company at large. Pursuant to the provisions of the Companies Act, 2013 and applicable Indian Accounting Standards, the related party transactions during the Financial Year 2017-18 have been disclosed in Form AOC-2 attached as **Annexure-4** and note-27 of Notes to Accounts to Financial Statements.

  Generally, the Company is in the Compliance of the provisions of Regulation 23 of Listing regulations including ratification and approval of few related party transaction by the audit committee later on. 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.
- There was one instance of non-compliance during the financial year 2016-17 of the regulation 31(2) of Listing Regulations i.e. 100% of shareholding of promoter(s) and promoter group is in dematerialized form was not maintained. During the financial year 2017-18, the promoter has converted 100% shareholding into dematerialized mode and said clause has been complied with.

  Further, there was no specific Non Compliances of the provisions of the Listing Regulations by the Company during 2017-18. However, the Corporate Governance Report for December 2017 was submitted within two days after prescribed time limit.
- 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 adopted Indian Accounting Standards (Ind AS) with effect from April 01, 2017, pursuant to notification issued by Ministry of Corporate Affairs dated February 16, 2015, notifying the Companies (Indian Accounting Standard) Rules, 2015. Accordingly, the financial statements of the Company for the financial year ended March 31, 2018, have been prepared in accordance with Ind AS as prescribed under Section 133 of the Companies Act, 2013 (the "Act"), read with the relevant rules made thereunder and other accounting principles generally accepted in India.

  Further, there is no deviation in following the treatment prescribed in applicable Accounting Standards (AS) in the preparation of financial statements of the Company.
- We have not obtained any public funding during the Financial Year ended 31st March 2018.
- The Company do not have 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**

Place : Noida
Date : 28th May 2018

Annexure-5.1

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 2018.

Sd/-
Brijesh Arora
Managing Director

Place : Noida, Uttar Pradesh
Date : 28th May 2018

Annexure 5.2

CEO/CFO CERTIFICATION

To,
The Board of Directors
Insilco Limited

CHIEF EXECUTIVE OFFICER (CEO) & CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION FOR THE FINANCIAL YEAR 2017-18

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**

Place : Noida, Uttar Pradesh
Date : 28th May 2018

Annexure 5.3

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, 2018, 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, though, the Corporate Governance Report for December, 2017 was submitted on January 17, 2018.

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

May 28, 2018
New Delhi

Annexure – 6

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Overall Review

Production and sales during the year were 14,857 MT and 15,207 MT as compared to 15,023 MT and 14,939 MT respectively in the previous year. The Company achieved the sales turnover of Rs. 888 million during the year as compared to Rs. 958 million in the previous year. The sales turnover during the year includes excise duty of Rs. 22 million as compared to Rs. 91 million in previous year. The excise duty of Rs. 22 million is for 3 months (April 17 to June 17) as it was discontinued effective 1st July 2017 upon implementation of Goods and Service Tax (GST) in India whereas Rs. 91 million is for 12 months (April 16 to March 17). GST is not considered as part of sales turnover. The sales turnover (net of excise duty) during the year is Rs. 865.87 million as compared to Rs. 866.42 million in 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.

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, 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 Environmental Risk details of which is given under clause no. 15 of the Directors Report under the heading "**GANGA CLEANING MATTER WITH NATIONAL GREEN TRIBUNAL".**

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

The financial year 2017-18 has been a year marked with both excitement and challenges for the Indian economy. There has been made structural changes in the indirect tax system by introduction of Goods and Service Tax (GST). The effect of demonetization and implementation of Goods and Service Tax seems to be over now and it is expected that it will boost economy. The organized players like us would be long term beneficiaries of the same, GST data shows significant rise in number of taxpayers. The GDP growth for Financial year 2018-19 is expected in the range of 7% to 7.5%. The Indian economy is improving and showing potential for growth.

Your Company continues to enjoy a high standing with its customers because of its quality, value added services and strong technical support from parent Company. Besides, it is actively considering the installation of a "Propane LPG project" at its plant to reduce the energy costs and pursuing all growth opportunities to improve the results. The quality conscious customers are showing faith in our quality products. The Company is actively trying to increase its customer base. It has added some new customers and also gained some lost customers. However, 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 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 silica applications in all these industries are growing rapidly. The Company is continuously improving safety, plant condition, efficiency and yield. 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

During the year, the company has upgraded SAP system and implemented compliance to Goods and Service Tax (GST) in SAP system. The company has upgraded DCS Control system for some areas of operations to improve consistency in product quality. The company has taken the following initiatives during the year to improve IT controls and IT infrastructure:

- Implementation of e Desk client
- Implementation of AVTS WAN solution
- Implementation of Plant maintenance software
- Implementation of Legal compliance management software
- Implementation of business continuity plan and Disaster recovery systems
- Implementation of 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.
- Installation of smoke detectors in critical areas at plant to improve protection from fire.

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, 2 employees were awarded for 20 years long service award and 4 employees were awarded for 10 years long service award. There were 109 employees as on 31st March 2018 on the rolls of the Company excluding trainees. Out of 109 employees, 77 employees (71%) have completed 20 years of service and 9 employees (8%) 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 has awarded 11 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 14001-2004 and Quality Management Standard ISO 9001-2008. 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 are also going to implement 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 2017-18 is a Zero man-day loss accident year. No accident has occurred in the Plant since last 10 years. 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 2017-2018, we also performed various work/activities including mainly:

- Celebration of World Environment Day
- 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.
- Provide weather protection to all external fire extinguishers.
- Annual Medical Health Check-ups of all the employees.
- Removal of Asbestos sheets at stores
- Upgradation of DCS system

- Installation of quick closing door for autoclave
- Measures to reduce waste water generation
- Display of List of Plant Protection Equipments (PPEs) 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 during 31st October 2017 to 5th November 2017 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)". Uttar Pradesh State Government declared the mela as Rajkiya Mela.

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. 37.17 Million were made to PPE during the current year and this includes Rs. 32.10 Million towards Plant and Machinery, Rs. 3.45 Million towards Computers and Rs.1.48 Million towards Office Equipment & electrical Installation. Addition to Intangible assets of Rs 2.08 Million were made during the year.

(ii) Capital work-in-progress

The capital work-in-progress is of Rs. 19.24 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 Distributed Control System and a New Dryer roof at Gajraula Plant.

(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 31st March 2018 is Rs. 2.1 Million. Under the previous GAAP, investment properties were presented as part of Property Plant & Equipment. However, under IND AS, investment properties are required to be separately presented on the face of the Balance Sheet.

(iv) Financial Assets

Loans and other financial assets amount to Rs. 8.35 Million as of March 31, 2018 as compared to Rs. 8.37 Million as on March 31, 2017. 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 3.40 Million as on March 31, 2018 as compared to 1.04 Million as on March 31, 2017. It includes capital advance, 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. 98.78 Million as on March 31, 2018 as compared to Rs. 96.98 Million as on March 31, 2017. The inventory has increased by Rs. 1.80 Million during the year. The level of inventory in relation to sales has increased by 0.20%.

(ii) Financial Assets

Investments

Investments of Rs. 259.73 Million represents the fair value of investments in Mutual Funds as on March 31, 2018 as compared to fair value of Rs. 376.42 Million as on March 31, 2017. All investments have been classified as current investments. Investments as on March 31, 2018 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. 179.25 Million (net of provisions of Rs. 0.69 Million) as of March 31, 2018 as compared to Rs. 184.62 Million (net of provisions of Rs. 0.66 Million) as on March 31, 2017. 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 20% of revenue for the year ended March 31, 2018 as compared to 19% of revenue for the year ended March 31, 2017. This represents an average outstanding of 74 days of revenue for the year as compared to 70 days in the previous year.

Cash and Cash Equivalents and Other Bank Balances

As at March 31, 2018, the Company had a Cash and Cash Equivalents and Other Bank Balances of Rs. 304.90 Million. This represents 27.78% of total assets and 34.33% of the revenue of the current year. The Cash and Cash Equivalents and Other Bank Balances include deposits of Rs. 292 Million for original maturity more than 3 months.

Loan and Other Financial Assets

Loan and Other Financial Assets amount to Rs. 16.16 Million as on March 31, 2018 as compared to Rs. 8.08 Million as on March 31, 2017. It includes Rs. 9.6 Million towards Interest accrued on fixed deposits, Rs. 5.05 Million for export benefits receivables, etc.

(iii) Other Current Assets

Other current assets amount to Rs 10.58 Million as compared to Rs. 8.06 Million as on March 31, 2017. Other current assets include Rs 6.11 Million to advance to suppliers.

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, 2018.

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

4. Other equity

(i) Reserves and Surplus

The balance retained in the Profit & Loss Account as on March 31, 2018 is Rs. 385.03 Million as compared to Rs. 380.40 Million as on March 31, 2017. The book value per share at the end of the year is Rs. 16.14 as compared to Rs. 16.05 at the end of previous year.

(ii) Other reserves

The other reserve represents cash flow hedging reserve. The other reserves as on March 31, 2018 is Rs. Nil as compared to Rs. -1.07 Million as on March 31, 2017.

5. Non Current Liabilities

(i) Financial Liabilities

Borrowings

Borrowings as at the year end are Rs. 0.09 Million as compared to Rs. 0.09 Million as on March 31, 2017. This represents obligation under finance lease.

(ii) Employee benefit obligations

Employee benefit obligations as at the year end are Rs. 0.81 Million as compared to Rs. 0.79 Million as on March 31, 2017. This represents liabilities provided for Long Service Award

(iii) Deferred Tax Liabilities (Net)

The deferred tax liabilities as at the year end are Rs 0.77 Million as compared to Rs 0.66 Million as on March 31, 2017. 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. 83.80 Million as compared to Rs. 61.15 Million as on March 31, 2017. This represents 9.23% of total expenditure for the year ended March 31, 2018 as compared to 6.46% of previous year. These liabilities include the following:

Particulars	As of March 31, 2018 (Rs. in Million)
Trade Payables	57.60
Other Financial Liabilities	
Employee related liabilities	3.29
Capital creditors	4.38
Security deposits from customers and Vendors	2.05
Employee benefit obligations	
Compensated absences	5.68
Long service award	0.54
Gratuity	1.38
Provisions	0.50
Other Current Liabilities:	
Advance from customer	0.73
Statutory dues	5.15
Advance received against disposal of fixed assets	2.50
Total	**83.80**

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 31.03.2018	Year ended 31.03.2017
Revenue from Operations	888	958
Less: Excise Duty	22	91
Net Turnover	**866**	**867**

Revenue for the period from April 16 to March 17 includes excise duty for 12 months as compared to revenue from operations for period from April 2017 to March 2018 which includes excise duty for 3 months (April 17 to June 17), which is discontinued effective July 1, 2017 upon implementation of Goods and Service Tax (GST) in India. In view of the aforesaid restructuring of indirect taxes, revenue from operations for the period April 2017 to March 2018 are not comparable with the previous period i.e. April 2016 to March 2017.

2. Net Profit/Loss After Tax

The Net Profit after tax is Rs. 3.64 Million for the year ended March 31, 2018 as against profit after tax of Rs. 49.06 Million in the previous year. The other comprehensive income for the year ended March 31, 2018 is Rs. 1.65 million as compared to Rs. (2.63) million in previous year. The total comprehensive income for the year ended March 31, 2018 is Rs 5.3 Million as compared to Rs 46.43 Million in previous year.

3. Cash Profit

Cash generated from:

(Rs. in Million)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
Operating activities	16.71	37.25
Investing activities	(16.73)	(30.23)
Financing activities	(0.17)	(0.09)

4. Earnings Per Share

The basic EPS during the year is Rs. 0.06 per share as against Rs. 0.78 per share in the previous year.

5. **Raw Material Consumption**

   The raw material consumption for current year is Rs. 334 Million as compared to Rs. 352 Million for previous year. The Company continued to follow the procurement model of cullet instead of producing in house cullet.

6. **Changes in inventories of Finished Goods & Work in progress**

   The decrease in inventory of finished goods & work in progress during the year is Rs. 18.47 Million

7. **Employee Benefits Expense**

   The employees' remuneration and benefits for the year ended March 31, 2018 are Rs. 80.35 Million as compared to Rs. 72.91 Million for the year ended March 31, 2017. The Company has 109 permanent employees as on March 31, 2018 on its rolls.

8. **Depreciation and Amortization Expense**

   There has been provided a sum of Rs. 19.16 Million towards depreciation for the year ended March 31, 2018. The depreciation for the year ended March 31, 2018 represents 2.16% of sales.

9. **Other Expenses**

   Other expenses for the year ended March 31, 2018 are Rs. 452.77 Million as compared to Rs. 432.86 Million for the year ended March 31, 2017. The other expenses includes power & fuel expenses, repairs & maintenance expenses, freight & forwarding charges, packing expenses, rent, insurance, selling & marketing expenses, travelling and conveyance expenses, etc.

FINANCIAL DATA FOR THE YEAR ENDED MARCH 31, 2018

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

Description	**March 2018**	**March 2017**
Financial Performance		
Sales	888.04	957.85
Less: Excise duty	(22.17)	(91.43)
Turnover (net of excise duty)	865.87	866.42
Profit before Interest, Investment Income, Depreciation, Exceptional Items and Tax	(14.49)	14.84
Other Income		
(i) Income from Interest & Investment	34.25	62.90
(ii) Other income (other than income from interest and Investment)	5.52	4.00
Interest Expenses	(0.18)	(0.10)
Depreciation and Amortization	(19.16)	(17.17)
Exceptional Items	0.00	(4.16)
Profit/(Loss) Before tax	0.42	56.31
Taxation charge / (Release)	(3.22)	7.24
Profit/(Loss) after Tax	3.64	49.07
Other Comprehensive Income	1.65	(2.63)
Total Comprehensive Income for the year	5.29	46.44
Balance Sheet		
Share Capital	627.15	627.15
Reserves and Surpluses (including other reserves)	385.03	379.33
Net Worth	1012.18	1006.48
Non-Current Liabilities	1.67	1.53
Non-Current Assets	228.24	201.31
Net Current Assets	785.61	806.70
Total Assets	1097.65	1069.17
Per Share Data		
Basic EPS (Rs.)	0.06	0.78
Book Value per share (Rs.)	16.14	16.05
Other Information		
Number of Shareholders	39360	40251

RATIO ANALYSIS FOR THE YEAR ENDED MARCH 31, 2018

Description	March 2018	March 2017
Ratios-Financial Performance		
Gross Profit/ Total Sales [%]	23%	22%
Profit /(Loss) Before Interest, Investment Income, Depreciation, Exceptional Item & Tax/ Total Sales [%]	-2%	2%
Profit/(Loss) Before Interest, Investment Income, Depreciation & Tax/Total Sales [%]	-2%	2%
Ratios-Balance Sheet		
Debt Equity Ratio (Long Term Debt : Equity)	-	-
Current Ratio	10.37	14.19
Days Sales Outstanding (DSO)	71	65

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF INSILCO LIMITED

Report on the Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying financial statements of Insilco Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
5. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its total comprehensive income (comprising of profit and other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

9. We draw your attention to Note 36 to the Ind AS financial statements with regard to the Joint Inspection Team's observations pursuant to the directions of the National Green Tribunal (NGT). The Management has assessed that the Company continues to comply with all currently applicable pollution norms. The financial impact, if any, in respect of this matter, is presently not ascertainable. Our opinion is not qualified in respect of this matter.

Other Matter

10. The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 included in these Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2017 and March 31, 2016 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by the predecessor auditor who expressed an unmodified opinion vide reports dated May 16, 2017 and May 5, 2016 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

11. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.

12. 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 Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian 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, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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 Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

        (i) The Company has disclosed the impact, if any, of pending litigations as at March 31, 2018 on its financial position in its Ind AS financial statements – Refer Note 12(d) and Note 28 to the Ind AS financial statements;

        (ii) The Company does not have derivative contracts and in respect of other long-term contracts there are no material foreseeable losses as at March 31, 2018;

        (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, 2018;

        (iv) The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018.

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

Sd/-
Anupam Dhawan
Partner
Membership Number: 084451

Noida, Uttar Pradesh
May 28, 2018

Annexure A to Independent Auditors’ Report

Referred to in paragraph 12(f) of the Independent Auditors’ Report of even date to the members of Insilco Limited on the Ind AS Financial Statements for the year ended March 31, 2018

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, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2018, 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 28, 2018

Annexure B to Independent Auditors' Report

Referred to in paragraph 11 of the Independent Auditors' Report of even date to the members of Insilco Limited on the Ind AS Financial Statements as of and for the year ended March 31, 2018

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of property, plant and equipment and 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 Ind AS financial statements, are held in the name of the Company.

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

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

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

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

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and service tax with effect from July 1, 2017 and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, service tax, duty of excise, duty of customs and goods and service tax 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, 2018, 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	388**	2013-14	Additional Commissioner (Appeals)

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

** Net of payment under protest of Rs. 260 ('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 Ind AS 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 28, 2018

Balance Sheet as at March 31, 2018

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

PARTICULARS	Notes	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
ASSETS				
Non-current assets				
Property, plant and equipment	**3**	181,564	163,507	157,461
Capital work-in-progress	**3**	19,237	4,322	14,081
Investment properties	**4**	104	104	104
Other intangible assets	**5**	1,653	52	39
Financial assets				
i. Loans	**6 (a)**	7,346	7,370	6,619
ii. Other financial assets	**6 (b)**	1,000	1,000	-
Other non-current assets	**7 (a)**	3,405	1,044	3,213
Income tax assets (net)	**7 (b)**	13,926	23,908	32,726
Total non-current assets		**228,235**	**201,307**	**214,243**
Current assets				
Inventories	**8**	98,778	96,984	103,253
Financial assets				
i. Investments	**9 (a)**	259,739	376,420	369,297
ii. Trade receivables	**9 (b)**	179,247	184,619	191,785
iii. Cash and cash equivalents	**9 (c)**	12,901	13,098	6,165
iv. Bank balances other than (iii) above	**9 (d)**	292,000	180,600	121,914
v. Loans	**6 (a)**	911	1,010	1,246
vi. Other financial assets	**6 (b)**	15,253	7,072	6,009
Other current assets	**10**	10,586	8,059	9,216
Total current assets		**869,415**	**867,862**	**808,885**
Total assets		**1,097,650**	**1,069,169**	**1,023,128**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	**11 (a)**	627,150	627,150	627,150
Other equity				
Reserves and surplus	**11 (b)**	385,033	380,402	332,901
Other reserves	**11 (c)**	-	(1,067)	-
Total equity		**1,012,183**	**1,006,485**	**960,051**
LIABILITIES				
Non-current liabilities				
Financial liabilities				
i. Borrowings	**12 (a)**	90	88	85
Employee benefit obligations	**13 (a)**	811	789	672
Deferred tax liabilities (net)	**14**	765	655	-
Total non-current liabilities		**1,666**	**1,532**	**757**
Current liabilities				
Financial liabilities				
i. Trade payables				
-Total outstanding dues of micro, medium and small enterprises	**12 (b)**	8,615	627	4,534
-Total outstanding dues of creditors other than micro medium and small enterprises	**12 (b)**	48,979	28,750	20,005

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

PARTICULARS	Notes	As at 31-Mar-2018	As at 31-Mar-2017	As at 01-Apr-2016
ii. Other financial liabilities	**12 (c)**	9,726	6,739	5,711
Provisions	**12 (d)**	506	869	869
Employee benefit obligations	**13 (b)**	7,604	9,221	6,987
Current tax liabilities	**15**	-	4,818	5,258
Other current liabilities	**16**	8,371	10,128	18,956
Total current liabilities		**83,801**	**61,152**	**62,320**
Total liabilities		**85,467**	**62,684**	**63,077**
Total equity and liabilities		**1,097,650**	**1,069,169**	**1,023,128**

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 28, 2018

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 28, 2018

Statement of Profit and Loss for the year ended March 31, 2018

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

PARTICULARS	Notes	Year ended 31-Mar-2018	Year ended 31-Mar-2017
Revenue from operations	17	888,037	957,845
Other income	18 (a)	26,204	18,397
Other gains/(losses) (net)	18 (b)	13,566	48,498
Total income		**927,807**	**1,024,740**
Expenses			
Cost of materials consumed	19	334,281	352,303
Changes in inventories of work-in-progress and finished goods	20	18,470	(2,494)
Excise duty		22,174	91,427
Employee benefit expense	21	80,353	72,912
Depreciation and amortisation expense	22	19,165	17,169
Other expenses	23	452,765	432,862
Finance costs	24	179	96
Total expenses		**927,387**	**964,275**
Profit/(loss) before exceptional items and tax		**420**	**60,465**
Exceptional items	25	-	4,163
Profit/(loss) before tax		**420**	**56,302**
Income tax expense	26		
- Current tax		(3,333)	6,583
- Deferred tax		110	655
Total tax expense		**(3,223)**	**7,238**
Profit/(loss) for the year		**3,643**	**49,064**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement gains/ (losses) on defined benefit plans (net of tax)		988	(1,563)
Deferred gains/losses on cash flow hedges (net of tax)		659	(1,067)
Other comprehensive income/(loss) for the year, net of tax		**1,647**	**(2,630)**
Total comprehensive income/(loss) for the year		**5,290**	**46,434**
Earnings per equity share			
Basic earnings per equity share (Rs.)	30	0.06	0.78
Diluted earnings per equity share (Rs.)	30	0.06	0.78
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 28, 2018

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 28, 2018

Statement of changes in equity for the year ended March 31, 2018

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

A. Equity share capital

Particulars	Notes	Amount
At 01 April 2016	**11 (a)**	627,150
Change in equity share capital		-
At 31 March 2017		**627,150**
Change in equity share capital		-
At 31 March 2018		**627,150**

B. Other Equity

Particulars	Notes	Reserves & surplus	Other reserve	Total
		Retained earnings	Cash flow hedging reserve	
Balance as at 01 April 2016	**11 (b)**	332,901	-	332,901
Profit / (loss) for the year	**11 (b)**	49,064	-	49,064
Other comprehensive income :				
Remeasurements of post-employment benefit obligation, net of tax	**11 (b)**	(1,563)	-	(1,563)
Deferred hedging gain/(losses) on cash flow hedge, net of tax	**11 (c)**	-	(1,067)	(1,067)
Total comprehensive income for the year		**47,501**	**(1,067)**	**46,434**
Balance as at 31 March 2017		**380,402**	**(1,067)**	**379,335**

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**

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

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Partner
Membership No. 084451

Place : Noida, Uttar Pradesh
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Sarvesh Kr. Upadhyay
Company Secretary

Place : Noida, Uttar Pradesh
Date : May 28, 2018

Cash Flow Statement for the financial year ending 31st March 2018

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

PARTICULARS	Notes	Year ended 31-Mar-2018	Year ended 31-Mar-2017
Cash flow from operating activities			
Profit before income tax		420	56,302
Adjustments for			
Depreciation and amortisation expense	**22**	19,165	17,169
Capital work in progress written off		886	-
Provision against capital work in progress of coal project	**25**	-	14,163
Net (gain) /loss on disposal of property, plant and equipment	**18 (b), 23**	(270)	256
Profit on transfer of leasehold rights in residential flats at Patalganga	**25**	-	(10,000)
Net (gain)/loss on financial assets measured at fair value through profit or loss	**18 (b)**	(13,203)	(46,969)
Net (gain)/loss on sale of financial assets measured at fair value through Profit & Loss	**18 (b)**	(54)	(23)
Interest income on financial assets measured at amortised cost	**18 (a)**	(20,996)	(15,896)
Finance costs	**24**	179	96
Liabilities/provisions no longer required written back	**18 (b)**	(39)	-
Provision written back (net)		(363)	-
Provision for obsolete stores and spares	**23**	-	435
Allowance for doubtful debts	**23**	28	607
Net exchange differences		(14)	(45)
Changes in operating assets and liabilities			
(Increase)/ decrease in Inventories		(1,794)	5,834
(Increase)/ decrease in Trade receivables		5,358	6,604
(Increase)/ decrease in other financial asset		(4,361)	(425)
(Increase)/ decrease in other non-current assets		134	(58)
(Increase)/ decrease in other current assets		(2,527)	1,157
Increase/ (decrease) in Trade payables		28,256	4,838
Increase/ (decrease) in other financial liabilities		(227)	(548)
Increase/(decrease) in employee benefit obligations		(607)	788
Increase/ (decrease) in other current liabilities		(1,757)	1,172
Cash generated from operations		**8,214**	**35,457**
Income taxes paid/(refund received)		(8,497)	(1,795)
Net cash outflow from / (used in) operating activities		**16,711**	**37,252**

Cash Flow Statement for the financial year ending 31st March 2018

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

PARTICULARS	Notes	Year ended 31-Mar-2018	Year ended 31-Mar-2017
Cash flows from investing activities			
Payments for property, plant and equipment		(53,265)	(25,179)
Proceeds from sale of property, plant and equipment		697	28
Proceeds from sale of investments		129,938	39,869
Repayment of loans by employees and security deposits refunded		123	(515)
Interest received		17,176	15,258
Fixed deposits with maturity more than 3 months but less than 12 months		(99,400)	(58,686)
Deposits made with original maturity of more than twelve months		(12,000)	(1,000)
Net cash outflow from / (used in) investing activities		**(16,731)**	**(30,225)**
Cash flows from financing activities			
Interest paid		(177)	(94)
Net cash outflow from / (used in) financing activities		**(177)**	**(94)**
Net increase / (decrease) in cash and cash equivalents		**(197)**	**6,933**
Cash and cash equivalents at beginning of the year		13,098	6,165
Cash and cash equivalents at end of the year [Refer Note 9 (c)]		**12,901**	**13,098**

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

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".

Figure in brackets indicate cash outflow.

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 28, 2018

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

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Sd/-
Shivangi Negi
Chief Financial Officer

Sd/-
Sarvesh Kr. Upadhyay
Company Secretary

Place : Noida, Uttar Pradesh
Date : May 28, 2018

Notes to financial statements for the year ended March 31, 2018

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 28, 2018.

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.

The financial statements up to the year ended March 31, 2017 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) ("Previous GAAP") and other relevant provisions of the Act.

These financial statements are the first financial statements of the Company under Ind AS. Refer note 38 for an explanation of how the transition from Previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

(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

(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 33.

(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.

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

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade discounts, cash discounts, rebates, value added taxes, goods and service tax (GST) and amount collected on behalf of third parties.

Revenue is recognized when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity.

Sale of goods

Timing of recognition: The Company manufactures and sells precipitated silica. Sales are recognized when significant risk and rewards in the product are transferred to the customer on delivery.

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.

(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. Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within 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 asset (or disposal group), but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the non-current asset (or disposal group) is recognized at the date of de-recognition.

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

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

(n) Investments and other financial assets

(i) Classification

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

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

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

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

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

(ii) Measurement

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

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

Debt Instruments

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

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

Equity instruments

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

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

(iii) 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 32 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.

(iv) 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.

(v) Income recognition

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

(o) Derivatives and hedging activities

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

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

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

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

(i) Cash flow hedges that qualify for hedge accounting

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

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

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

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

(ii) Embedded derivatives

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

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

Embedded foreign currency derivatives

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

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

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

(p) Offsetting financial instruments

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

(q) Property, plant and equipment (PPE)

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

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

Transition to Ind AS

On transition to Ind AS, the Company has 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	15-7.5	15-7.5
-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 has 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 has elected to continue with the carrying value of all of intangible assets recognized as at April 1, 2016 measured as per the Previous GAAP and use that carrying value as the deemed cost of intangible assets.

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

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

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

Amortisation methods and periods

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

Computer software : 3 years

(t) Trade and other payables

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

(u) Borrowings

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

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

(v) Borrowing costs

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

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

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

(w) Provisions and contingent liabilities

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

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

Contingent Liabilities: Contingent liabilities are disclosed when:

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

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

(x) Fair value measurement

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

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

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

(y) Cash and cash equivalent

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. However for Balance Sheet presentation, bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(z) Employee benefits

(i) Short-term obligations

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

(ii) Other long-term employee benefits obligations

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

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

(iii) Post-employment obligations

The Company operates the following post-employment schemes:

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

Defined benefit plans

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

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

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

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

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

Defined contribution plans

- Provident Fund:

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

- Superannuation:

  The Company has taken group policy with Life Insurance Corporation of India (LIC) to fund its liability towards employee's superannuation. Superannuation fund is administered by LIC and contributions made to the fund are recognized as expenditure in the statement of profit and loss. The Company has no further obligations under the plan beyond its monthly contributions.

- National Pension Scheme:

  The Company has registered under the National Pension Scheme to provide postretirement benefit to employees. This is an optional scheme available to employees. The Company has no further obligations under the plan beyond its monthly contributions, which is recognized as expenditure when made, in the statement of profit and loss.

- Bonus Plan:

  The Company recognizes a liability and an expense for bonuses. The Company recognize a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

- Termination benefits:

  Termination benefits are payable when employment is terminated by the company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The company recognize termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits: and (b) when the entity recognizes costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer.

(aa) 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.

(bb) Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- The net profit or loss for the period attributable to equity shareholders
- by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, share split, and reverse share split (consolidation of shares) that have changed the number of equity shares outstanding, without a corresponding change in resources.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(cc) 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 statements. Significant impact on the financial statements arising from write-off of capital work in progress are considered and reported as an exceptional items.

(dd) 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.

(ee) Standards and amendments to Indian accounting standards (Ind AS) issued but not yet effective:

1. Ind AS 115, Revenue from contracts with customers

Ind AS 115, Revenue from contracts with customers deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognized when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The standard replaces Ind AS 18 Revenue and Ind AS 11 Construction contracts and related appendices.

A new five-step process must be applied before revenue can be recognised:

1. identify contracts with customers
2. identify the separate performance obligation
3. determine the transaction price of the contract
4. allocate the transaction price to each of the separate performance obligations, and
5. recognise the revenue as each performance obligation is satisfied.

The new standard is mandatory for financial years commencing on or after April 1, 2018 and early application is not permitted. The standard permits either a full retrospective or a modified retrospective approach for the adoption.

The Company is in the process of evaluating the detailed impact of Ind AS 115, therefore, presently, the Company is not able to reasonably estimate the impact that application of Ind AS 115 is expected to have on its financial statements.

2. Appendix B to Ind AS 21 Foreign currency transactions and advance consideration

The Ministry of Corporate Affairs (MCA) has notified Appendix B to Ind AS 21, Foreign currency transactions and advance consideration. The appendix clarifies how to determine the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency-denominated contracts. For a single payment or receipt, the date of the transaction should be the date on which the entity initially recognises the non-monetary asset or liability arising from the advance consideration (the prepayment or deferred income/contract liability). If there are multiple payments or receipts for one item, date of transaction should be determined as above for each payment or receipt.

The appendix can be applied:

- retrospectively for each period presented applying Ind AS 8;
- prospectively to items in scope of the appendix that are initially recognized:
    - o on or after the beginning of the reporting period in which the appendix is first applied; or
    - o from the beginning of a prior reporting period presented as comparative information.

Management has assessed the effects of applying the appendix to its foreign currency transactions for which consideration is received/paid in advance. As there are very few foreign currency transactions, therefore, the Company expects that this change will not have any material impact on its financial statements.

The Company intends to adopt the amendments prospectively to items in scope of the appendix that are initially recognised on or after the beginning of the reporting period in which the appendix is first applied (i.e. from April 1, 2018).

3. Amendments to Ind AS 40 Investment property - Transfers of investment property

The amendments clarify that transfers to, or from, investment property can only be made if there has been a change in use that is supported by evidence. A change in use occurs when the property meets, or ceases to meet, the definition of investment property. A change in intention alone is not sufficient to support a transfer. The list of evidence for a change of use in the standard was re-characterised as a non-exhaustive list of examples and scope of these examples have been expanded to include assets under construction/development and not only transfer of completed properties.

The amendment provides two transition options. Entities can choose to apply the amendment:

- Retrospectively without the use of hindsight; or
- Prospectively to changes in use that occur on or after the date of initial application (i.e. April 1, 2018 for entities with March year-end). At that date, an entity shall reassess the classification of properties held at that date and, if applicable, reclassify properties to reflect the conditions that exist as at that date.

Management has assessed the effects of the amendment on classification of existing investment property at April 1, 2018 and concluded that no reclassifications are required.

The Company has decided to apply the amendment prospectively to changes in use that occur after the date of initial application (i.e. April 1, 2018).

4. Amendments to Ind AS 12 Income taxes regarding recognition of deferred tax assets on unrealised losses

The amendments clarify the accounting for deferred taxes where an asset is measured at fair value and that fair value is below the asset's tax base. They also clarify certain other aspects of accounting for deferred tax assets set out below:

- A temporary difference exists whenever the carrying amount of an asset is less than its tax base at the end of the reporting period.
- The estimate of future taxable profit may include the recovery of some of an entity's assets for more than its carrying amount if it is probable that the entity will achieve this. For example, when a fixed-rate debt instrument is measured at fair value, however, the entity expects to hold and collect the contractual cash flows and it is probable that the asset will be recovered for more than its carrying amount.
- Where the tax law restricts the source of taxable profits against which particular types of deferred tax assets can be recovered, the recoverability of the deferred tax assets can only be assessed in combination with other deferred tax assets of the same type.
- Tax deductions resulting from the reversal of deferred tax assets are excluded from the estimated future taxable profit that is used to evaluate the recoverability of those assets. This is to avoid double counting the deductible temporary differences in such assessment.

An entity shall apply the amendments to Ind AS 12 retrospectively in accordance with Ind AS 8. However, on initial application of the amendment, the change in the opening equity of the earliest comparative period may be recognised in opening retained earnings (or in another component of equity, as appropriate), without allocating the change between opening retained earnings and other components of equity.

The Company has evaluated the impact of the amendments on the Company's investments measured at fair value through P&L and there is no impact of the said amendments on the financial statements of the Company for the year ended March 31, 2018.

The Company shall apply the amendments to Ind AS 12 retrospectively in accordance with Ind AS 8.

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 28
- Recognition of deferred tax assets and liabilities and tax expense – Note 14 and 26

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 31 March, 2018

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 2017										
Gross carrying amount										
Deemed cost as at 1 April 2016	12,776	62,757	69,996	1,604	2,819	834	5,434	1,241	157,461	14,081
Additions	-	223	16,991	249	3,450	2,263	122	197	23,495	18,518
Disposals	-	-	244	1	-	29	14	7	295	-
Transfer to PPE	-	-	-	-	-	-	-	-	-	14,114
Adjustment (Refer note iii below)	-	-	-	-	-	-	-	-	-	14,163
Closing gross carrying amount	12,776	62,980	86,743	1,852	6,269	3,068	5,542	1,431	180,661	4,322
Accumulated depreciation										
Depreciation charge for the year	203	4,893	9,727	311	1,149	313	214	358	17,168	-
Disposals	-	-	-	-	-	9	5	-	14	-
Closing accumulated depreciation	203	4,893	9,727	311	1,149	304	209	358	17,154	-
Net carrying amount	12,573	58,087	77,016	1,541	5,120	2,764	5,333	1,073	163,507	4,322
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

(i) **Leased asset :**

Particulars	31-Mar-18	31-Mar-17	1-Apr-16
Leasehold land			
Cost/Deemed cost	12,776	12,776	12,776
Accumulated depreciation	405	203	-
Net carrying amount	**12,371**	**12,573**	**12,776**

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 29(a) for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(iii) **Capital work-in-progress**
Adjustment represents provision / write off of the coal project (Refer note 25).
Capital work-in-progress mainly comprises of expenditure towards the Distributed Control System and a New Dryer roof at Gajraula plant.

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

Note 4 : Investment Properties

Particulars	31-Mar-18	31-Mar-17	1-Apr-16
Gross carrying amount			
Opening gross carrying amount/Deemed cost	104	104	104
Closing gross carrying amount	104	104	104
Accumulated depreciation			
Opening accumulated depreciation	-	-	-
Closing accumulated depreciation	-	-	-
Net carrying amount	**104**	**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, 2018 and the year ended March 31, 2017.

(ii) Fair Value

Particulars	31-Mar-18	31-Mar-17	1-Apr-16
Investment property	2,083	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 Felix Advisory Private Limited. 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 2017		
Gross carrying amount		
Deemed cost as at April 1, 2016	39	39
Additions	17	17
Disposal	3	3
Closing gross carrying amount	53	53
Accumulated amortisation		
Amortisation charge for the year	1	1
Closing accumulated depreciation	1	1
Net carrying amount	**52**	**52**
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**

Note 6(a) : Loans

Particulars	31-Mar-18		31-Mar-17		1-Apr-16	
	Current	Non-current	Current	Non-current	Current	Non-current
Unsecured, considered good						
Loan to employees	438	185	537	188	773	408
Security deposits	473	7,161	473	7,182	473	6,211
Unsecured, considered doubtful						
Security deposits	-	103	-	103	-	103
Less: Allowance for doubtful security deposit	-	(103)	-	(103)	-	(103)
Total loans	**911**	**7,346**	**1,010**	**7,370**	**1,246**	**6,619**

Note 6(b) : Other financial assets

Particulars	31-Mar-18		31-Mar-17		1-Apr-16	
	Current	Non-current	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	9,602	-	5,803	-	5,225	-
Interest accrued on security deposits	602	-	581	-	521	-
Government grant receivable **	5,049	-	688	-	263	-
Total other financial assets	**15,253**	**1,000**	**7,072**	**1,000**	**6,009**	**-**

* The Company has given a bank guarantee of Rs. 1,000 ('000) [31 March 2017 – Rs. 1,000 ('000), 01 April 2016 - Rs. Nil ('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).

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

Note 7(a) : Other non-current assets

Particulars	31-Mar-18	31-Mar-17	1-Apr-16
Capital advances	2,796	301	2,528
Deferred employee cost	22	44	64
Balance with government authorities	587	699	560
Others	-	-	61
Total other non-current assets	**3,405**	**1,044**	**3,213**

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

Particulars	31-Mar-18	31-Mar-17	1-Apr-16
Advance income taxes paid #	13,926	23,908	32,726
Total advance income tax paid (net)	**13,926**	**23,908**	**32,726**
# Net of provision	10,073	2,684	-

Note (8) : Inventories

Particulars	31-Mar-18	31-Mar-17	1-Apr-16
Raw materials (includes material in transit as at 31 March 2018 Rs. Nil ('000), [31 March 2017 Rs. 1,125 ('000), 01 April 2016 Rs. 1,924 ('000)]	31,290	12,436	21,938
Packing materials (includes material in transit as at 31 March 2018 Rs. Nil ('000), [31 March 2017 Rs. 103 ('000), 01 April 2016 Rs. Nil ('000)]	3,911	2,274	2,102
Work in progress	8,988	10,257	10,973
Finished goods (includes material in transit as at 31 March 2018 Rs. 6,270 ('000), [31 March 2017 Rs. 6,553 ('000), 01 April 2016 Rs. 8,963 ('000)]	32,766	56,652	53,067
Stores and spares (includes material in transit as at 31 March 2018 Rs. 34 ('000), [31 March 2017 Rs. 77 ('000), 01 April 2016 Rs. 525 ('000)]	21,823	15,365	15,173
Total inventories	**98,778**	**96,984**	**103,253**

Amounts recognised in the statement of profit and loss

Write-downs of inventories to net realizable value amounted to Rs. 1,016 ('000) [31 March 2017 – Rs. 1,985 ('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-18	31-Mar-17	1-Apr-16
Investment in mutual funds			
Unquoted			
502,626 (31 March 2017: 1,654,469, 1 April 2016: 1,654,469) units of Rs. 10 each of Kotak Gilt (Investment regular) - Direct Plan - Growth	30,838	97,222	86,302
2,058,123 (31 March 2017: 2,058,123, 1 April 2016: 2,058,123) units of Rs. 10 each of Franklin India Government Securities Fund - Long Term Plan - Direct	84,462	83,022	73,816
Nil, (31 March 2017: Nil, 1 April 2016: 1,028,422) units of Rs. 10 each of Principal Government Securities Fund-Direct Plan Growth	-	-	30,891
Nil, (31 March 2017: 343,470, 1 April 2016: 432,714) units of Rs. 10 each of Franklin India Government Securities Fund - Composite Plan - Direct - Growth	-	19,533	21,910
3,920,689 (31 March 2017: 3,920,689, 1 April 2016: 3,920,689) units of Rs. 10 each of DHFL Pramerica Gilt Fund - Direct Plan - Growth	75,513	71,789	64,899
Nil (31 March 2017: 711,037, 1 April 2016: 711,037) units of Rs. 10 each of DSP BlackRock Government Securities Fund- Direct Plan-Growth	-	38,501	33,940
1,311,009 (31 March 2017: 1,311,009, 1 April 2016: 1,311,009) units of Rs. 10 each of Canara Robeco Gilt PGS - Direct Growth -GL-DG	64,062	61,765	53,508
78,547 (31 March 2017: 78,547, 1 April 2016: 78,547) units of Rs. 10 each of ICICI Prudential Long Term Gilt Fund -DP Growth	4,864	4,588	4,031
Total	**259,739**	**376,420**	**369,297**
Total current investments	259,739	376,420	369,297
Aggregate amount of quoted investments and market value thereof	-	-	-
Aggregate amount of unquoted investments	259,739	376,420	369,297
Aggregate amount of impairment in the value of investments	-	-	-

Note 9(b) : Trade receivables

Particulars	31-Mar-18	31-Mar-17	1-Apr-16
Trade receivables	159,512	149,611	124,043
Receivables from related parties [Refer note 27 (f)]	20,424	35,669	67,796
Less: Allowance for doubtful debts	(689)	(661)	(54)
Total receivables	**179,247**	**184,619**	**191,785**
Current portion	**179,247**	**184,619**	**191,785**
Non-current portion	**-**	**-**	**-**
Break-up of security details			
Secured, considered good	1,150	1,150	1,125
Unsecured, considered good	178,097	183,469	190,660
Doubtful	689	661	54
Total	**179,936**	**185,280**	**191,839**
Allowance for doubtful debts	(689)	(661)	(54)
Total trade receivables	**179,247**	**184,619**	**191,785**

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

Note 9(c) : Cash and cash equivalents

Particulars	31-Mar-18	31-Mar-17	1-Apr-16
Balances with banks			
- in current accounts*	12,869	13,050	6,102
Cash on hand	32	48	63
Total cash and cash equivalents	**12,901**	**13,098**	**6,165**

* including sweep fixed deposit with banks.

There are no restrictions with regards to cash and cash equivalents as on the end of reporting year and previous year.

Details of specified bank notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016 are as below :

(Amount in Rs.)

Particulars	SBN	Other denomination note	Total
Closing cash in hand as on November 08, 2016	79,500	39,806	119,306
(+) Permitted receipts	-	101,745	101,745
(-) Permitted payments	-	88,244	88,244
(-) Amount deposited in Banks	79,500	-	79,500
Closing cash in hand as on December 30, 2016	-	53,307	53,307

Note 9(d) : Other bank balances

Particulars	31-Mar-18	31-Mar-17	1-Apr-16
Deposits with original maturity of more than three months but less than twelve months	280,000	180,600	121,914
Deposits with original maturity of more than twelve months	12,000	-	-
Total other bank balances	**292,000**	**180,600**	**121,914**

Note 10 : Other current assets

Particulars	31-Mar-18	31-Mar-17	1-Apr-16
Unsecured, considered good unless otherwise stated			
Advances to suppliers	6,117	4,396	5,864
Advance recoverable from related parties [Refer note 27(f)]	619	597	447
Prepayments	3,788	2,998	2,847
Balance with government authorities	-	-	-
Advance to employee	39	20	-
Deferred employee cost	23	48	58
Advances to suppliers - considered doubtful	978	978	978
Less: Allowance for doubtful advances	(978)	(978)	(978)
Total other current assets	**10,586**	**8,059**	**9,216**

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

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 2016	65,715,000	657,150
Increase during the year	-	-
As at 31 March 2017	**65,715,000**	**657,150**
Increase during the year	-	-
As at 31 March 2018	**65,715,000**	**657,150**
(i) Movement in equity share capital (issued, subscribed and paid up)		
As at 1 April 2016	62,715,000	627,150
Increase during the year	-	-
As at 31 March 2017	**62,715,000**	**627,150**
Increase during the year	-	-
As at 31 March 2018	**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.

(iii) Shares of the Company held by holding Company

Particulars	Number of shares		
	31-Mar-18	31-Mar-17	1-Apr-16
Evonik Degussa GmbH, the Holding Company	45,853,315	45,853,315	45,853,315

(iv) Details of shareholders holding more than 5% shares in the Company

Particulars	31-Mar-18		31-Mar-17		1-Apr-16	
	Number of shares	% holding	Number of shares	% holding	Number of shares	% holding
Evonik Degussa GmbH, the Holding Company	45,853,315	73.11%	45,853,315	73.11%	45,853,315	73.11%

11(b) : Reserves and surplus

Particulars	31-Mar-18	31-Mar-17	1-Apr-16
Retained earnings	385,033	380,402	332,901
Total reserves and surplus	**385,033**	**380,402**	**332,901**

iii) Retained Earnings

Particulars	31-Mar-18	31-Mar-17
Opening balance	380,402	332,901
Net profit for the year	3,643	49,064
Items of other comprehensive income recognised directly in retained earnings:		
Remeasurements of post-employment benefit obligation, net of tax	988	(1,563)
Closing balance	**385,033**	**380,402**

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

11(c) Other reserves

Particulars	Cash Flow hedging reserve
As at 1 April 2016	-
Deferred hedging gain/(losses)	(1,067)
As at 31 March 2017	**(1,067)**
Deferred hedging gain/(losses)	659
Deferred hedging gain/(losses) transferred to the carrying value of Property, Plant and Equipment (Refer note 34)	408
As at 31 March 2018	**-**

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 within note 34. 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 profit or 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.

Note 12 : Financial liabilities

12(a) Non-current borrowings

Particulars	Maturity date	Terms of repayment	Coupon/ Interest rate	31-Mar-18	31-Mar-17	1-Apr-16
Unsecured						
Long-term maturities of finance lease obligations						
Obligations under finance leases	1991-2081	Annual instalments	10.50%	90	88	85
Non-current borrowings (as per balance sheet)				**90**	**88**	**85**

Net debt reconciliation

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

Particulars	31-Mar-18	31-Mar-17
Non-current borrowings	(90)	(88)
Net debt	**(90)**	**(88)**

Particulars	Liabilities from financing activities	
	Finance lease obligations	Total
Net debt as at 1 April 2016	(85)	(85)
Interest expense	(3)	(3)
Net debt as at 31 March 2017	**(88)**	**(88)**
Interest expense	(2)	(2)
Net debt as at 31 March 2018	**(90)**	**(90)**

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

12(b) Trade payables

Particulars	31-Mar-18	31-Mar-17	1-Apr-16
Current			
Total outstanding dues of micro, medium and small enterprises	8,615	627	4,534
Total outstanding dues of creditors other than micro, medium and small enterprises	26,726	24,165	16,712
Trade payables to related parties (note 27 (f))	22,253	4,585	3,293
Total trade payables	**57,594**	**29,377**	**24,539**

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

Particulars	31-Mar-18	31-Mar-17	1-Apr-16
Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at period end	8,510	623	4,531
Interest due to suppliers registered under the MSMED Act and remaining unpaid as at period end	105	4	3
Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the period	7,168	5,900	3,153
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	4	3	-
Interest due and payable towards suppliers registered under MSMED Act, for payments already made	105	4	3
Further interest remaining due and payable for earlier years	-	-	-

12(c) Other current financial liabilities

Particulars	31-Mar-18	31-Mar-17	1-Apr-16
Current			
Employee related liabilities	3,299	3,218	3,801
Capital creditors	4,382	509	-
Security deposits from vendors	870	770	720
Security deposits from customers	1,175	1,175	1,175
Retention money from vendor	-	-	15
Derivative financial liability	-	1,067	-
Total other current financial liabilities	**9,726**	**6,739**	**5,711**

12 (d) Provisions

Particulars	31-Mar-18	31-Mar-17	1-Apr-16
Provisions	506	869	869
Total provisions	**506**	**869**	**869**

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

Movements in provisions

Particulars	Sales Tax cases	Excise and Service Tax matters	Total
As at 01 April 2016	719	150	869
Additional provision recognised	-	-	-
Unused amounts reversed	-	-	-
Amount used during the year	-	-	-
As at 31 March 2017	**719**	**150**	**869**
As at 01 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**

Note 13 : Employee benefit obligations

Particulars	31-Mar-18	31-Mar-17	1-Apr-16
13(a) Employee benefit obligations - Non-current			
Long service award	811	789	672
Total non-current employee benefit obligations	**811**	**789**	**672**
13(b) Employee benefit obligations - Current			
Compensated absences (i)	5,683	5,441	5,352
Long service award	543	349	845
Gratuity (ii)	1,378	3,431	790
Total current employee benefit obligations	**7,604**	**9,221**	**6,987**

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

The amount of the provision of Rs. 5,683 ('000) (31 March 2017 – Rs. 5,441 ('000), 1 April 2016 – Rs. 5,352 ('000) is presented as current, since the group does not have an unconditional right to defer settlement for any of these obligations. However, based on past experience, the group does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

Particulars	31-Mar-18	31-Mar-17	1-Apr-16
Current leave obligations expected to be settled within the next 12 months	850	948	1,026

(*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.

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

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-18	31-Mar-17
Obligations at year beginning	32,117	27,310
Interest expense or cost	2,182	2,048
Amount recognised in profit or loss	**2,182**	**2,048**
Current service cost	1,894	1,779
Past service cost	-	-
(Gains) and losses on curtailment and settlement	-	-
Amount recognised in profit or loss	**1,894**	**1,779**
Remeasurements		
Actuarial (gain) / loss from change in demographic assumption	21	208
Actuarial (gain) / loss from change in financial assumption	(2,025)	1,365
Experience (gains)/losses	1,357	205
Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling	-	-
Amount recognised in other comprehensive income	**(647)**	**1,778**
Payment from plan:		
Benefit payments	(3,460)	(798)
Settlements	-	-
Addition due to transfer of employee	-	-
Obligations at year end	**32,086**	**32,117**

(b) Fair Value of Plan Assets

Particulars	31-Mar-18	31-Mar-17
Plan assets at year beginning, at fair value	28,686	26,520
Interest income	1,949	1,988
Amount recognised in profit or loss	**1,949**	**1,988**
Employer's contribution	3,191	737
Benefits paid	(3,459)	(774)
Return on plan assets, excluding amount recognised in net interest expense	341	215
Amount recognised in other comprehensive income	**341**	**215**
Fair Value of Plan Assets as at the end	**30,708**	**28,686**

(c) Assets and liabilities recognised in Balance Sheet

Particulars	31-Mar-18	31-Mar-17
Present value of the defined benefit obligations	32,086	32,117
Fair value of plan assets	30,708	28,686
Amount recognised as Asset/(Liability)	**(1,378)**	**(3,431)**

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

Particulars	31-Mar-18	31-Mar-17
Current service cost	1,894	1,779
Interest Cost	2,182	2,048
Interest income	(1,949)	(1,988)
Net defined benefit obligations cost for the year recognised in profit and loss	**2,127**	**1,839**

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

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

Particulars	31-Mar-18	31-Mar-17
Actuarial (gain) / loss from change in demographic assumption	21	208
Actuarial (gain) / loss from change in financial assumption	(2,025)	1,365
Experience (gains)/losses	1,357	205
Return on plan assets, excluding amount recognised in net interest expense	(341)	(215)
Net defined benefit obligations cost for the year recognised in other comprehensive income	**(988)**	**1,563**

(f) Investment details of plans assets:

Particulars	31-Mar-18	31-Mar-17
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-18	31-Mar-17	1-Apr-16
Discount rate	7.70%	6.80%	7.50%
Salary growth rate	9.00%	9.00%	9.00%
Attrition rate:			
Staff	5.84%	7.69%	11.74%
Technicians	1.88%	0.62%	0.00%
Mortality rate	IALM 06-08	IALM 06-08	IALM 06-08

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

Particulars	31-Mar-18	31-Mar-17
Gratuity	3,225	5,239

(i) Sensitivity analysis

Particulars	31-Mar-18		31-Mar-17	
	Decrease	Increase	Decrease	Increase
Discount rate (- / + 1%)	34,352	30,043	34,541	29,950
(% change compared to base due to sensitivity)	7.1%	-6.4%	7.5%	-6.7%
Salary growth rate (- / + 1%)	30,049	34,302	29,973	34,467
(% change compared to base due to sensitivity)	-6.4%	6.9%	-6.7%	7.3%
Attrition rate (- / + 50% of attrition rate)	32,362	31,854	32,551	31,776
(% change compared to base due to sensitivity)	0.9%	-0.7%	1.4%	-1.1%
Mortality rate (- / + 10% of mortality rates)	32,093	32,081	32,128	32,106
(% 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 analysis did not change compared to the prior period.

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

(j) Risk Exposure

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory frame work which may vary over time. Thus, the Company is exposed to various risks in providing the above gratuity benefit which are as follows:

Interest Rate risk: The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability (as shown in financial statements).

Liquidity Risk: This is the risk that the Company is not able to meet the short-term gratuity payouts. This may arise due to non availability of enough cash / cash equivalent 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) 7 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-18**	2,326	13,748	24,095	18,224	58,393
Total		**2,326**	**13,748**	**24,095**	**18,224**	**58,393**
Defined benefit obligation	**31-Mar-17**	2,434	10,566	19,744	23,129	55,873
Total		**2,434**	**10,566**	**19,744**	**23,129**	**55,873**
Defined benefit obligation	**1-Apr-16**	2,070	8,984	16,789	19,668	47,511
Total		**2,070**	**8,984**	**16,789**	**19,668**	**47,511**

(*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-18	31-Mar-17
Provident Fund	4,324	3,945
Superannuation	4,270	4,042
National pension scheme	629	323
Total	**9,223**	**8,310**

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

- Long Service Award

  As per the Company policy, every employee is entitled for 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-18	31-Mar-17	1-Apr-16
The balance comprises temporary differences attributable to:			
(A) Deferred tax liability on capital gains			
Deferred tax asset:			
Capital losses	7,071	7,768	1,002
Deferred tax asset [Refer note (i)]	**7,071**	**7,768**	**1,002**
Deferred tax liabilities:			
Capital gain on investments	7,836	8,423	1,002
Deferred tax liabilities	**7,836**	**8,423**	**1,002**
Net deferred tax liabilities (A)	**765**	**655**	**-**
(B) Deferred tax liability on other items			
Deferred tax asset:			
Employee benefits	2,195	2,820	3,132
Others	3,242	2,455	1,026
Total deferred tax assets [Refer note (ii)]	**5,437**	**5,275**	**4,158**
Deferred tax liabilities:			
Depreciation/ amortisation on Property, plant and equipment/ Intangible assets	5,426	5,246	4,142
Employee loan	11	29	16
Total deferred tax liabilities	**5,437**	**5,275**	**4,158**
Net deferred tax liabilities (B)	**-**	**-**	**-**
Total Net deferred tax liabilities (A+B)	**765**	**655**	**-**

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 1 April 2016. 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-18		31-Mar-17		1-Apr-16	
	Gross amount	Unrecognized tax effect	Gross amount	Unrecognized tax effect	Gross amount	Unrecognized tax effect
Capital losses	-	-	-	-	34,021	7,499
Tax losses	18,545	5,159	18,545	6,132	18,545	6,132
Unabsorbed depreciation	15,408	4,287	15,408	5,094	26,411	8,732
Deductible temporary differences	2,599	723	7,050	2,331	9,536	3,153
MAT credit		27,563		26,853		20,370
		37,732		**40,410**		**45,886**

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

Particulars	31-Mar-18	Expiry date	31-Mar-17	Expiry date	1-Apr-16	Expiry date
MAT credit	27,563	*	26,853	*	20,370	*
Tax losses	18,545	2022-23	18,545	2022-23	18,545	2022-23
Unabsorbed depreciation	15,408	**	15,408	**	26,411	**
Deductible temporary differences	2,599	***	7,050	***	9,536	***
Capital losses	-		-		34,021	****

*

Assessment Year	Available up to A.Y.	31-Mar-18	31-Mar-17	1-Apr-16
AY 2010-11	AY 2025-26	10,217	10,217	10,217
AY 2011-12	AY 2026-27	5,939	5,939	5,939
AY 2012-13	AY 2027-28	1,530	1,530	1,530
AY 2016-17	AY 2031-32	2,684	2,684	2,684
AY 2017-18	AY 2032-33	6,483	6,483	-
AY 2018-19	AY 2033-34	710	-	-
		27,563	**26,853**	**20,370**

**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.	1-Apr-16
AY 2012-13	AY 2020-21	11,061
AY 2013-14	AY 2021-22	10,312
AY 2014-15	AY 2022-23	4,632
AY 2015-16	AY 2023-24	8,016
		34,021

(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 April 1, 2016	3,132	(4,142)	(16)	1,002	(1,002)	1,026	-
(Charged)/credited:							
- to profit or loss	(312)	(1,104)	(13)	6,766	(7,421)	1,429	(655)
At March 31, 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 March 31, 2018	**2,195**	**(5,426)**	**(11)**	**7,071**	**(7,836)**	**3,242**	**(765)**

Note 15 : Current tax liabilities

Particulars	31-Mar-18	31-Mar-17
Opening balance	4,818	5,258
Add: Current tax payable for the year	-	6,583
Less: Taxes paid	(680)	(7,023)
Less: Reversal during the year	(4,138)	-
Closing balance	**-**	**4,818**

Note 16 : Other current liabilities

Particulars	31-Mar-18	31-Mar-17	1-Apr-16
Advances from customers	725	394	142
Statutory dues	5,146	7,234	6,314
Advance received against disposal of fixed assets	2,500	2,500	12,500
Total other current liabilities	**8,371**	**10,128**	**18,956**

Note 17 : Revenue from operations

Particulars	For the year ended 31-Mar-18	For the year ended 31-Mar-17
Sale of products (including excise duty)	849,784	909,248
Other operating revenue	38,253	48,597
Total revenue from operations	**888,037**	**957,845**

Goods and service tax (GST) has been effected from 01 July 2017. Consequently excise duty, value added tax, service tax etc. have been replaced with GST. Until 30 June 2017 "Sale of products" included the amount of excise duty recovered on sale. With effect from 01 July 2017 sale of products excludes the amount of GST recovered. Accordingly, revenue from sale of products for the year ended 31 March 2018 is not comparable with that of the previous year. The following additional information is being provided to facilitate such understanding:

Particulars	31-Mar-18	31-Mar-17
Revenue from operations (sale of products)	849,784	909,248
Less: Excise duty	(22,174)	(91,427)
Revenue from operations (sale of products) excluding excise duty	827,610	817,821

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

Note 18(a) : Other income

Particulars	For the year ended 31-Mar-18	For the year ended 31-Mar-17
Interest income on financial assets measured at amortised cost	20,996	15,896
Government grant (i)	4,945	849
Scrap Sales	189	1,506
Insurance claim	74	142
Miscellaneous income	-	4
Total other income	**26,204**	**18,397**

(i) Government grant 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	For the year ended 31-Mar-18	For the year ended 31-Mar-17
Net gain on disposal of property, plant and equipment	270	-
Net gain/(loss) on financial assets measured at fair value through profit and loss	13,203	46,969
Net gain/(loss) on sale of financial assets measured at fair value through profit and Loss	54	23
Net foreign exchange differences	-	1,506
Liabilities and provision no longer required written back	39	-
Total other gains/(losses)	**13,566**	**48,498**

Note 19 : Cost of material consumed

Particulars	For the year ended 31-Mar-18	For the year ended 31-Mar-17
Raw and packing materials at the beginning of the year	14,710	24,040
Add: Purchases	354,772	342,973
Less: Raw and packing materials at the end of the year	35,201	14,710
Total cost of material consumed	**334,281**	**352,303**

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

Particulars	For the year ended 31-Mar-18	For the year ended 31-Mar-17
Opening balance		
Work in Process	10,257	10,973
Finished goods	56,652	53,067
Total opening balance (a)	**66,909**	**64,040**
Closing balance		
Work in Process	8,988	10,257
Finished goods	32,766	56,652
Total closing balance (b)	**41,754**	**66,909**
Increase /(decrease) in excise duty on finished goods (c)	(6,685)	375
Total changes in inventories of finished goods and work-in-progress (a-b+c)	**18,470**	**(2,494)**

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

Note 21 : Employee benefit expense

Particulars	For the year ended 31-Mar-18	For the year ended 31-Mar-17
Salaries, wages and bonus	60,464	55,565
Contribution to provident and other funds (Refer note 13)	9,223	8,310
Gratuity (Refer note 13)	2,127	1,839
Compensated absences	950	204
Staff welfare expenses	7,589	6,994
Total employee benefit expense	**80,353**	**72,912**

Note 22 : Depreciation and amortisation expense

Particulars	For the year ended 31-Mar-18	For the year ended 31-Mar-17
Depreciation on property, plant and equipment (Refer note 3)	18,688	17,168
Amortisation of other intangible assets (Refer note 5)	477	1
Total depreciation and amortisation expense	**19,165**	**17,169**

Note 23 : Other expenses

Particulars	For the year ended 31-Mar-18	For the year ended 31-Mar-17
Consumption of stores and spare parts	36,355	36,578
Power and Fuel	261,321	257,046
Freight outward	64,932	69,538
Rent	1,438	1,902
Provision for obsolete stores and spares	-	435
Repairs to Buildings	2,741	8,357
Repairs to Machinery	12,245	8,612
Repairs to others	1,341	1,123
Net foreign exchange loss	317	-
Allowance for doubtful debts	28	607
Royalty	3,227	3,830
Information technologies support service charges	6,506	4,960
Rates and taxes	2,569	1,016
Legal and professional expenses (Refer note 23 (a) below)	11,515	5,791
Insurance	4,237	3,892
Sales commission	21,425	10,415
Waste disposal	1,983	1,045
Loss on disposal of property, plant and equipment (net)	-	256
Capital work in progress written off (Refer note 25)	886	-
Miscellaneous Expenses	19,699	17,459
Total other expenses	**452,765**	**432,862**

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

Note 23(a) : Details of payments to auditors

Particulars	For the year ended 31-Mar-18	For the year ended 31-Mar-17
As auditor :		
Statutory audit	1,650	1,180
Limited review	600	750
Tax audit fee	-	210
Other Services	750	-
Re-imbursement of expenses	100	196
Total	**3,100**	**2,336**

Note 24 : Finance costs

Particulars	For the year ended 31-Mar-18	For the year ended 31-Mar-17
Interest and finance charges on financial liabilities not at fair value through profit or loss	177	94
Interest on finance lease obligation	2	2
Total finance costs	**179**	**96**

Note 25 : Exceptional items

Particulars	For the year ended 31-Mar-18	For the year ended 31-Mar-17
Provision against capital work in progress of coal project	-	14,163
Profit on transfer of leasehold rights in residential flats at Patalganga	-	(10,000)
Total	**-**	**4,163**

The exceptional items for the year ended March 31, 2017 includes expense of Rs. 14,163 ('000) on account of provision for expenses incurred on coal project and carried forward as 'Capital work-in-progress'. As the Company was also analyzing/evaluating alternate source of energy and based on current position, there was strong view that based on feasibility of alternate options, coal project will be dropped. Therefore, keeping in view the current circumstances expenses incurred in respect of Coal project till March 31, 2017 was provided, which had been approved by the Company's Board of Directors in their meeting on May 16, 2017. Further, 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) has been charged of to the statement of profit and loss under "Other Expenses", being amount incurred during the year ended March 31, 2018.

The Company had received an advance of Rs.12,500 ('000) against a total contract value of Rs. 13,000 ('000) for the transfer of leasehold rights in residential flats at Patalganga for two set of properties. During the year ended March 31, 2017 the Company got necessary approvals from local authorities/executed necessary documents in relation to one set of properties accordingly transfer of the said flats in the name of buyer was completed and recognised income from sale of fixed assets of Rs. 10,000 ('000). The transfer of leasehold rights in second set of properties i.e. worker's flat is still subject to necessary approval from the authorities. However, the Company had executed an 'Agreement of Assignment' (which is not registered with local authority due to non-availability of required documents) for transfer of Leasehold Rights and had also given possession of the said worker's flat. Accordingly, the advance consideration for the same of Rs. 2,500 ('000) had been disclosed under head "Advance received against disposal of fixed assets" under Other Current Liabilities (Refer note 16) in the financial statements. The said Worker's flat were fully depreciated in earlier years and were carried in books at a nominal value.

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

Note 26 : Income tax expense

Particulars	For the year ended 31-Mar-18	For the year ended 31-Mar-17
(a) Income tax expense		
Current tax		
Current tax on profits for the year	805	6,583
Adjustments for current tax of prior periods (write back pertains to the case becoming time barred)	(4,138)	-
Total current tax expense	**(3,333)**	**6,583**
Deferred tax		
Decrease / (increase) in deferred tax assets	-	-
(Decrease) / increase in deferred tax liabilities	110	655
Total deferred tax expense/(benefit)	**110**	**655**
Income tax expense	**(3,223)**	**7,238**

Particulars	For the year ended 31-Mar-18	For the year ended 31-Mar-17
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:		
Profit before income tax expense	420	56,302
Tax at the Indian tax rate of 33.063% (2016-2017 – 33.063%)	139	18,615
Tax impact of fair value gain on mutual fund investments	5,946	(11,506)
Adjustments for current tax of prior periods	(4,138)	-
MAT adjustment related to write-off of capital work in progress	(4,786)	-
Other adjustments	(384)	129
Income tax expense	**(3,223)**	**7,238**

(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 2018 -19. In the unlikely event that any adjustment is required consequent to completion of the study for the year ended March 31, 2018, 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 27 : Related party transactions

The group is controlled by following entity:

Name of entity	Place of business	Ownership interest held by the group		
		31-Mar-18	31-Mar-17	1-Apr-16
(a) Parent Entities				
Ultimate Holding Company - RAG-Stiftung	Germany			
Intermediate Holding Company - Evonik Industries AG	Germany			
Holding Company - Evonik Degussa GmbH	Germany	73.11%	73.11%	73.11%

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

Name of entity	Place of business	Ownership interest held by the group		
		31-Mar-18	31-Mar-17	1-Apr-16
(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 Iran AG	Iran			
Evonik IP GmbH	Germany			

(c) Key management personnel

Mr. Dara Phirozeshaw Mehta, Chairman
Mr. Brijesh Arora, Managing Director
Mr. Christian Schlossnikl, Director
Ms. Sonia Prashar, Director
Mr. Sanjeev Taneja, Additional Director (w.e.f. 01 February 2018)
Ms. Meng Tang, Director
Ms. Shivangi Negi, Chief Financial Officer
Mr. Sarvesh Upadhyay, Company Secretary

(d) Key management personnel compensation

Particulars	31-Mar-18	31-Mar-17
Short-term employee benefits	8,747	8,120
Post-employment benefits	392	1,904
Long-term employee benefits	1,424	2,120
Directors sitting fees	840	820
Total compensation	**11,403**	**12,964**

(e) Transactions with related parties

The following transactions occurred with related parties:

Particulars	Holding Company & Intermediate Holding Company		Fellow Subsidiary	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
Sale of Goods:				
- Evonik Resource Efficiency GmbH	-	-	29,936	35,669
Commission on sales paid:				
- Evonik India Pvt. Ltd.	-	-	20,204	8,951
- Evonik Iran AG	-	-	1,135	1,096
SAP license, Lotus Notes and Microsoft license fee paid:				
- Evonik Industries AG	6,506	4,960	-	-
Royalty:				
- Evonik IP Gmbh	-	-	3,217	3,788
Reimbursement of expenses received:				
- Evonik India Pvt. Ltd.	-	-	91	46
- Evonik (Sea) Pte Ltd.	-	-	23	-
- Evonik Industries AG	531	-	-	-
Training Expenses paid:				
- Evonik Industries AG	-	109	-	-

(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-18	31-Mar-17	1-Apr-16
Trade payables			
Intermediate holding company			
Evonik Industries AG	1,957	1,131	1,275
Fellow Subsidiaries			
Evonik IP GmbH	800	957	735
Evonik Iran AG	348	1,729	633
Evonik India Pvt. Ltd.	19,148	768	650
Total payables to related parties	**22,253**	**4,585**	**3,293**
Trade receivables			
Fellow Subsidiaries			
Evonik Resource Efficiency GmbH	20,424	35,669	67,796
Total Trade receivables	**20,424**	**35,669**	**67,796**
Other current assets			
Intermediate holding company			
Evonik Industries AG	531	543	447
Fellow Subsidiaries			
Evonik India Pvt. Ltd.	65	2	-
Evonik (Sea) Pte Ltd.	23	-	-
Evonik Iran AG	-	52	-
Total other current assets	**619**	**597**	**447**
Total receivables from related parties	**21,043**	**36,266**	**68,243**

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 28 : Contingent liabilities

Particulars	31-Mar-18	31-Mar-17
House tax matter		
Case pertaining to demand for payment of House Tax including penalty	14,375	13,750
Income tax matters		
Cases pending before Appellate authorities in respect of which the Company/department has filed appeals.	526	24,388
Sales tax matters		
Cases pending before Appellate authorities in respect of which the Company/department has filed appeals.	1,085	1,234
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	2,472	2,095
Total	**20,042**	**43,051**

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

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

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

Note 29(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-18	31-Mar-17	1-Apr-16
Property, plant and equipment *	7,116	24,217	18,541

* Net of advances 31 March 2018 Rs. 2,616 ('000), 31 March 2017 Rs. 301 ('000) 01 April 2016 Rs. 2,528 ('000)

Note 29 (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-18		31-Mar-17		1-Apr-16	
	Minimum lease payments	Present value of MLP	Minimum lease payments	Present value of MLP	Minimum lease payments	Present value of MLP
Within one year	7	6	7	6	7	6
After one year but not more than five years	34	24	31	22	27	19
More than five years	790	60	800	60	810	60
Total minimum lease payments	831	90	838	88	844	85
Less : Amounts representing finance charges	(741)	-	(750)	-	(759)	-
Present value of minimum lease payments	90	90	88	88	85	85

The Company has entered into Lease deed with Uttar Pradesh State Industrial development Corporation Limited (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 for 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 the obligation to pay annual lease rent.

Note 30 : Earnings per share

Particulars	For the year ended 31-Mar-18	For the year ended 31-Mar-17
(a) Basic earnings per share		
Basic earnings per share attributable to the equity holders of the Company (Rs.)	0.06	0.78
(b) Diluted earnings per share		
Diluted earnings per share attributable to the equity holders of the Company (Rs.)	0.06	0.78
(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	3,643	49,064
Diluted earnings per share		
Profit attributable to equity share holders of the company used in calculating earnings per share	3,643	49,064
(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.

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

Note 31 : Fair value measurements

Financial instruments by category

Particulars	31-Mar-18			31-Mar-17			1-Apr-16		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets									
Investments									
- Mutual funds	259,739	-	-	376,420	-	-	369,297	-	-
Loans									
- Loans to Employees			623			725			1,181
- Security Deposits			7,634			7,655			6,684
Trade receivables	-	-	179,247	-	-	184,619	-	-	191,785
Cash and cash equivalents	-	-	12,901	-	-	13,098	-	-	6,165
Other Bank Balances	-	-	292,000	-	-	180,600	-	-	121,914
Other Financial Assets	-	-	16,253	-	-	8,072	-	-	6,009
Total financial assets	**259,739**	**-**	**508,658**	**376,420**	**-**	**394,769**	**369,297**	**-**	**333,738**
Financial liabilities									
Borrowings	-	-	90	-	-	88	-	-	85
Trade payables	-	-	57,594	-	-	29,377	-	-	24,539
Other Financial Liabilities:									
- Derivatives Financial Liability	-	-	-	-	1,067	-	-	-	-
- Other Financial Liabilities	-	-	9,726	-	-	5,672			5,711
Total financial liabilities	**-**	**-**	**67,410**	**-**	**1,067**	**35,137**	**-**	**-**	**30,335**

(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 2018					
Financial Investments at FVPL					
Mutual funds	**9 (a)**	259,739	-	-	259,739
Total Financial Assets		**259,739**	**-**	**-**	**259,739**
Financial Liabilities					
Derivatives designated as hedges		-	-	-	-
Foreign exchange forward contracts	**12 (c)**	-	-	-	-
Total Financial Liability		**-**	**-**	**-**	**-**

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**

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

Financial assets and liabilities measured at fair value - recurring fair value measurements	**Notes**	**Level 1**	**Level 2**	**Level 3**	**Total**
At 31 March 2017					
Financial Investments at FVPL					
Mutual funds	**9 (a)**	376,420	-	-	376,420
Total Financial Assets		**376,420**	**-**	**-**	**376,420**
Financial Liabilities					
Derivatives designated as hedges					
Foreign exchange forward contracts	**12 (c)**	-	1,067	-	1,067
Total Financial Liability		**-**	**1,067**	**-**	**1,067**

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 2017					
Financial Assets					
- Loans to Employees	**6 (a)**	-	-	725	725
Total Financial Assets		**-**	**-**	**725**	**725**
Financial Liabilities					
- Borrowings	**12 (a)**	-	-	88	88
Total Financial Liability		**-**	**-**	**88**	**88**

Financial assets and liabilities measured at fair value - recurring fair value measurements	**Notes**	**Level 1**	**Level 2**	**Level 3**	**Total**
At 01 April 2016					
Financial Investments at FVPL					
Mutual funds	**9 (a)**	369,297	-	-	369,297
Total Financial Assets		**369,297**	**-**	**-**	**369,297**
Financial Liabilities					
Derivatives designated as hedges					
Foreign exchange forward contracts	**12 (c)**	-	-	-	-
Total Financial Liability		**-**	**-**	**-**	**-**

Assets and liabilities which are measured at amortised cost for which fair values are disclosed	**Notes**	**Level 1**	**Level 2**	**Level 3**	**Total**
At 01 April 2016					
Financial Assets					
- Loans to Employees	**6 (a)**	-	-	1,181	1,181
Total Financial Assets		**-**	**-**	**1,181**	**1,181**
Financial Liabilities					
- Borrowings	**12 (a)**	-	-	85	85
Total Financial Liability		**-**	**-**	**85**	**85**

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.

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

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.

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 2018, 31 March 2017 and 1 April 2016.

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 2018, 31 March 2017 and 1 April 2016.

Note 32 : Financial risk management

The Company's activities expose it to liquidity risk, credit risk and market risk (forex and price). In order to minimise any adverse effects on the financial performance of the group, 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.

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

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 profit or loss.

Where there have 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, 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	7737	1.33%	103	**7,634**

Year ended 31 March, 2017

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	725	0%	-	**725**
		Security deposits	7758	1.33%	103	**7,655**

Year ended 01 April, 2016

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	1181	0%	-	**1,181**
		Security deposits	6787	1.52%	103	**6,684**

(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.

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

Other financial assets measured at amortised cost

Other financial assets measured at amortised cost includes security deposits and others. 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.

Reconciliation of loss allowance provision - Trade receivables

Loss allowance on 1 April 2016	54
Changes in loss allowance	607
Loss allowance on 31 March 2017	661
Changes in loss allowance	28
Loss allowance on 31 March 2018	689

The amount of loss allowance recognised on loans and deposits amounts to Rs. 103 ('000) as at 31 March 2018 [31 March 2017 Rs. 103 ('000), 1 April 2016 Rs. 103 ('000)].

(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 group's 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-18	31-Mar-17	1-Apr-16
Floating rate - Expiring within one year :			
1. Cash Credit	5,000	5,000	5,000
2. Import / Inland letters of credit	20,000	20,000	20,000
3. Guarantees - performance / financial - maximum 2 years	20,000	20,000	20,000
4. Guarantees - performance / financial - maximum 5 years	5,000	5,000	-
5. Sales / Supplier's bill discounting	-	-	4,000
6. Export packing credit	-	-	4,000
7. Export post shipment credit	-	-	5,000
8. Cash management services	4,000	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) [2017: 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), 2016: 'The limits under the facilities 1, 5 to 7 above are inter-changeable at the Bank's discretion, subject to total utilisation not to exceed an aggregate limit of Rs. 5,000 ('000)].

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

(ii) The facilities listed at 1 to 4 (2017- 1 to 3 ; 2016- 1 to 7) above shall be secured by first pari passu charge on stocks and book debts, with a margin of 25%.

(iii) The facility listed at 4 above (2017) shall be secured by 100% cash/fixed deposit margin from the Borrower.

Assets pledged as security

The carrying amount of assets pledged as security for financing arrangement are :

Particulars	31-Mar-18	31-Mar-17	1-Apr-16
Current assets			
First charge			
Inventories	98,778	96,984	103,253
Long term deposit with bank with original maturity period more than 12 months	10,000	10,000	-
Financial assets			
First charge			
Trade receivables	179,247	184,619	191,785
Total Current assets pledged as security	**288,025**	**291,603**	**295,038**

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 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	**-**	**-**	**-**	**-**	**-**	**-**
31 March 2017						
Non-Derivatives						
Obligation under finance lease	-	-	7	31	800	838
Trade payables	26,858	2,364	155	-	-	29,377
Other financial liabilities	3,727	-	1,945	-	-	5,672
Total	**30,585**	**2,364**	**2,107**	**31**	**800**	**35,887**
Derivatives						
Foreign exchange forward contracts	-	1,067	-	-	-	1,067
Total	**-**	**1,067**	**-**	**-**	**-**	**1,067**
01 April 2016						
Non-Derivatives						
Obligation under finance lease	-	-	7	27	810	844
Trade payables	23,338	1,107	94		-	24,539
Other financial liabilities	3,801	-	1,910	-	-	5,711
Total	**27,139**	**1,107**	**2,011**	**27**	**810**	**31,094**
Derivatives						
Foreign exchange forward contracts						
Total	**-**	**-**	**-**	**-**	**-**	**-**

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

(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. However, in one particular transaction of firm commitment for import of an item of property, plant and equipment, as the amount was significant, therefore, the Company had taken a foreign exchange forward contract to hedge foreign currency risk exposure and applied hedge accounting.

The Company's unhedged foreign currency exposure is as follows:

Particulars	**31-Mar-18**		**31-Mar-17**		**1-Apr-16**	
	USD	**EUR**	**USD**	**EUR**	**USD**	**EUR**
Financial assets						
Trade receivables	508	-	1,165	-	540	-
Exposure to foreign currency risk (assets)	**508**	**-**	**1,165**	**-**	**540**	**-**
Financial liabilities						
Trade payables						
- Advance from customer	-	-	334	-	-	-
- Export commission payable	63	-	601	-	211	
- Support services charges payable	-	1,957	-	1,119	-	1,275
Derivative liabilities						
Foreign exchange forward contracts	-	-		23,717	-	-
Buy foreign currency						
Exposure to foreign currency risk (liabilities)	**63**	**1,957**	**935**	**24,836**	**211**	**1,275**

(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 period. The analysis is based on the assumption that the Mutual fund NAV had increased / decrease with all other variables held constant. Further there is no change in assumptions from last year.

Particulars	**Impact on profit after tax**	
	31 March 2018	**31 March 2017**
NAV – increase 2% (31 March 2017 6%)	5,195	22,585
NAV – decrease 2% (31 March 2017 6%)	(5,195)	(22,585)

Note 33 : 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".

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

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-18	**31-Mar-17**
India	797,684	873,707
Outside India	90,353	84,138
	888,037	957,845

ii) Revenues from transactions with a single external customer amounting to 10 per cent or more of the Company's revenues is as follows :

Particulars	For the year	
	31-Mar-18	**31-Mar-17**
One Customer	96,930	107,640

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

Note No. 34: Impact of hedging activities

(a) Disclosure of effect of hedge accounting on financial position :

01 April 2016

Type of hedge and risks	Nominal value		Carrying amount of hedging instrument		Maturity Date	Hedge ratio	Weighted average strike price / rate	Changes in fair value of hedging instrument	Change in the value of hedge item
	Assets	Liabilities	Assets	Liabilities					
Cash flow hedge **Foreign exchange risk** Foreign exchange forward contract	-	-	-	-	-	-	-	-	-

31 March 2017

Type of hedge and risks	Nominal value		Carrying amount of hedging instrument		Maturity Date	Hedge ratio	Weighted average strike price / rate	Changes in fair value of hedging instrument	Change in the value of hedge item
	Assets	Liabilities	Assets	Liabilities					
Cash flow hedge **Foreign exchange risk** Foreign exchange forward contract	-	23,717	-	-	December 2016-July 2017	1:1	US$ 1: Rs. 66.3 EUR 1 : Rs. 75.4	-	-

31 March 2018

Type of hedge and risks	Nominal value		Carrying amount of hedging instrument		Maturity Date	Hedge ratio	Weighted average strike price / rate	Changes in fair value of hedging instrument	Change in the value of hedge item
	Assets	Liabilities	Assets	Liabilities					
Cash flow hedge **Foreign exchange risk** Foreign exchange forward contract	-	-	-	-	-	-	-	-	-

There is no ineffective portion of hedging instrument hence no amount recognized in the statement of profit or loss.

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

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

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			

31 March 2017

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	(1,067)	-	-	NA

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 2016	-	-
Change in value of foreign exchange forward contract	(1,067)	(1,067)
As at 31 March 2017	(1,067)	(1,067)
Less: Amount reclassified to Property, Plant and Equipment	1,067	1,067
As at 31 March 2018	-	-

Note 35 : Capital management

For the purpose of the Company's capital management, capital includes issued capital and all other equity reserves attributable to the equity shareholders of the Company. The primary objective of the Company when managing capital is to safeguard its ability to continue as a going concern and to maintain an optimal capital structure so as to maximize shareholder value.

The Company has only one class of equity shares and has no debt. Consequent to such capital structure, there are no externally imposed capital requirements. In order to maintain or achieve an optimal capital structure, the Company allocates its capital for re-investment into business based on its long term financial plans.

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

Note 36 : 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. The JIT has not yet submitted its report to the NGT for river Bagad. The Company has filed a Caveat in NGT so that no orders are passed without giving the Company an opportunity of being heard. 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 Environment (Protection) Act, 1986. 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, pursuant to observations from the inspection of the JIT, asking the Company, inter-alia, to recalculate the dosing of magnesium sulphate to meet prescribed Sodium Absorption Ratio (SAR), in a time bound manner to discontinue present chemical addition and further dilution of effluent with ground water to meet SAR value or instead the unit may switch over to Zero Liquid Discharge (ZLD) system. The letter also states that closure of unit may be considered if the unit fails to provide a time bound action plan for achieving ZLD. The Company has filed its response thereto, a summary of which was sent to Bombay Stock Exchange vide the Company's letter dated January 22, 2018. Management 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.

Meanwhile, the Company has received UPPCB's approval vide an e-mail dated May 11, 2018 against the application for renewal of water and air consent for its plant. The physical consent letter from UPPCB along with detailed conditions to operate, is yet to be received by the Company.

Note 37 : Trade receivables as at March 31, 2018 include Rs 517 ('000) which were due for more than 9 months in respect of sales made to foreign companies. Reserve Bank of India ('RBI') master direction on export of goods and services vide FED Master Direction No. 16/2015-16 dated January 1, 2016 requires that the export realisations should be completed not later than 9 months from the date of export. The outstanding amount could not be received due to guidelines issued by Office of Foreign Assets Control (OFAC) on Asian Clearing Union (ACU) transactions in respect of Company's export to Bangladesh. In view of the management this amount is doubtful and accordingly the Company has filed an application for obtaining permission from RBI to write off the same.

Note 38 : First-time adoption of Ind AS

Transition to Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 1 have been applied in preparing the financial statements for the year ended 31 March 2018, the comparative information presented in these financial statements for the year ended 31 March 2017 and in the preparation of an opening Ind AS balance sheet at 1 April 2016 (the date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (Previous GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows is set out in the following tables and notes.

A. Exemptions and exceptions availed

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

1. Ind AS optional exemptions

(a) *Deemed cost-Property, plant and equipment, Intangible assets, Investment property*:

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the Previous GAAP and use that as its deemed cost as at the date of transition. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets and investment property covered by Ind AS 40 Investment Properties.

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

The Company has availed the option to continue with the Previous GAAP carrying value of Property, Plant and Equipment, Intangible Assets and Investment Properties and use that as its deemed cost as at the date of transition.

(b) Fair value measurement of financial assets and liabilities at initial recognition:

The Company has exercised the option to consider 'initial recognition' gains and losses to transactions entered into on or after the date of transition to Ind AS.

2. Ind AS mandatory exceptions

(a) Classification and measurement of financial assets:

The Company has applied the exception to assess classification and measurement of financial assets (Security deposits, Investment in Mutual Funds and Loan to Employee etc.) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

(b) Impairment of financial assets:

The Company has availed this exception to analyse credit risk of the financial assets as on the date of transition instead of the date of initial recognition, loss allowance to be provided at an amount equal to lifetime expected credit losses at each reporting date until de-recognition.

(c) Estimates :

The Company estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with Previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under Previous GAAP:

- Impairment of financial assets based on expected credit loss model
- Finance lease obligation
- Loan to employees

(d) De-recognition of financial assets and liabilities :

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

I) Reconciliations between Previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from Previous GAAP to Ind AS.

Reconciliation of equity as at 31 March 2017 and 1 April 2016 (date of transition):

Particulars	Notes to first-time adoption	31-Mar-17	1-Apr-16
Total equity (shareholder's funds) as per Previous GAAP		**917,227**	**908,409**
Adjustments			
Fair value gain on mutual funds investments	1	89,923	55,123
Finance income on employee loans	8	136	48
Amortisation of deferred employee cost	8	(106)	(34)
Finance lease obligation – leasehold land	9	(40)	(38)
Deferred Tax	2	(655)	-
Depreciation of capital spares	10	-	(3,457)
Total adjustments		**89,258**	**51,642**
Total equity as per Ind AS		**1,006,485**	**960,051**

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

Reconciliation of total comprehensive income for the year ended 31 March 2017:

Particulars	Notes to first-time adoption	31 March 2017
Profit after tax as per Previous GAAP		**9,885**
Adjustments		
Fair value gain on mutual funds investments	1	34,800
Finance income on employee loans	8	88
Amortisation of deferred employee cost	8	(72)
Finance lease obligation – leasehold land	9	(2)
Deferred Tax	2	(655)
Depreciation of capital spares	10	3,457
Remeasurements of post-employment benefit obligations	7	1,563
Total adjustments		**39,179**
Profit after tax as per Ind AS		**49,064**
Other comprehensive income		
Re-measurement gains/ (losses) on defined benefit plans (net of tax)	7	(1,563)
Deferred gains/losses on cash flow hedges (net of tax)	5	(1,067)
Total comprehensive income as per Ind AS		**46,434**

Impact of Ind AS adoption and correction of errors on the cash flows statement for the financial year ended 31 March 2017:

Particulars	Previous GAAP	Correction of classification*	Ind AS adjustment	Ind AS
Net cash flow from operating activities	35,288	-	1,964	37,252
Net cash flow from investing activities	17,017	(45,200)	(2,042)	(30,225)
Net cash flow from financing activities	(172)	-	78	(94)
Net increase/(decrease) in cash and cash equivalents	**52,133**	**(45,200)**	**-**	**6,933**
Cash and cash equivalents as at 1 April 2016	6,165	-	-	6,165
Cash and cash equivalents as at 31 March 2017	**58,298**	**(45,200)**	**-**	**13,098**

Balance Sheet (Extract)	As at 31-Mar-17 (as per Previous GAAP)	Increase/ (Decrease)*	As at 31-Mar-17 (Ind AS)
Cash and cash equivalents	58,298	(45,200)	13,098
Other bank balances	135,400	45,200	180,600

* Fixed deposits with banks amounting to Rs. 45,200 ('000) having an original maturity period of more than three months were classified and presented under 'Cash and cash equivalents' both in the balance sheet and in the cash flow statement for the year ended March 31, 2017, prepared under the Previous GAAP. This has been rectified in the comparative financial information included in these financial statements and the impact on each affected financial statement line item and cash flow statement is disclosed above.

Notes to first-time adoption:

Note 1: Fair valuation of investment in mutual funds

Under the Previous GAAP, investments in mutual funds were classified as current investments based on the intended holding period and realisability. Current investments were carried at lower of cost and fair value. Under Ind AS, these investments are required to be recognised at fair value. Consequent to this change, the amount of current investments as at 31 March, 2017 increased by Rs. 34,800 ('000) with corresponding impact in the statement of profit and loss and current investments as at 1 April, 2016 increased by (Rs. 55,123 ('000) with a corresponding impact in retained earnings.

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

Note 2: Deferred tax

Previous GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12, “Income taxes”, requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the Balance Sheet and its tax base. The application of Ind AS 12 has resulted in recognition of deferred tax on new temporary differences, which was not required under Previous GAAP. In addition, the various transitional adjustments lead to additional temporary differences. Consequently, net deferred tax liabilities as on March 31, 2017 increased by Rs.655 (‘000) with a corresponding impact on statement of profit and loss. No change in net deferred tax liabilities as at 1 April 2016.

Note 3: Cash discount

Under Ind AS, all cash discounts are netted off from revenue, whereas in Previous GAAP, cash discounts were shown as part of other expenses. This change has resulted in decrease in total revenue and total expenses by Rs. 3,141 in the year ended 31 March 2017. There is no impact on total equity and profit.

Note 4: Excise duty

Under the Previous GAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of the statement of profit and loss as part of expenses. This change has resulted in an increase in total revenue and total expenses for the year ended 31 March 2017 by Rs. 91,427 (‘000). There is no impact on the total equity and profit.

Note 5: Foreign exchange forward contracts

Under the Previous GAAP, the Company had adopted the hedge accounting principles in accordance with guidance note on accounting for derivative contracts used for hedging foreign exchange risk related to firm commitment for purchase transaction. In accordance with guidance note, the Company had taken the effective portion of cash flow hedge in relation to firm commitment amounting to Rs. 1,067 (‘000) to hedging reserve under reserve and surplus as at 31 March 2017.Under Ind AS, effective portion of cash flow hedge are accumulated within equity and are adjusted against the carrying value of the hedged item. Consequently, the deferred costs amounting to Rs. 1,067 (‘000) have been reclassified within equity from retained earnings to cash flow hedging reserve through other comprehensive income as at 31 March 2017.

Note 6: Investment property

Under the Previous GAAP, investment properties were presented as part of Property, plant and equipment. Under Ind AS, investment properties are required to be separately presented on the face of the Balance Sheet. There is no impact on the total equity or profit as a result of this adjustment.

Note 7: Remeasurements of post-employment benefit obligations

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of the statement of profit or loss. Under the Previous GAAP, these remeasurements were recognized in statement of profit and loss. As a result of this change, the profit for the year ended March 31, 2017 increased by Rs. 1,563 (‘000). There is no impact on total equity as at 31 March 2017.

Note 8: Loan to employees

Under the Previous GAAP, interest free loan to employees (that are refundable in cash on completion of the loan term) were recorded at their transaction value. Under Ind AS, all financial assets are required to be initially recognised at fair value. Accordingly, the Company has fair valued these loans under Ind AS. Difference between the fair value and transaction value of the loans has been recognised as deferred employee cost. Consequent to this change, the equity as on 1 April, 2016 and 31 March, 2017 increased by Rs. 14 (‘000) and Rs. 30 (‘000), respectively and other income and other expenses for the year ended March 31, 2017 increased by Rs. 88 (‘000) and Rs. 71 (‘000), respectively.

Note 9: Finance lease obligation - leasehold land

Under Previous GAAP, lease of land was specifically excluded from the scope of Accounting Standard – 19. However under Ind AS, land is included within the scope of Ind AS-17. The change has resulted in land to be classified as a finance lease. Consequent to this change, the equity as on 1 April, 2016 and 31 March, 2017 decreased by Rs. 38 (‘000) and Rs. 40 (‘000), respectively and expenses recognised in the statement of profit and loss for the year ended March 31, 2017 increased by Rs. 2 (‘000).

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

Note 10: Capitalisation of spare parts

Under Previous GAAP spares were recognised as property, plant and equipment (PPE) when they meet the recognition criteria under Revised AS 10 (these were similar to the requirement under Ind AS). Accordingly the Company had recognised additional depreciation amounting to Rs. 5,119 ('000) for the year ended 31 March, 2017 (including depreciation on spare existing on 1 April, 2016 amounting to Rs. 3,457 ('000)). In accordance with transitional provisions of Ind AS, depreciation expense on spares existing as at 1 April, 2016 should be recognised in retained earning. Consequently, profit and equity for the year ended 31 March, 2017 increased by Rs. 3,457 ('000) with corresponding increase in total equity. While total equity as on 1 April, 2016 decreased by Rs. 3,457 ('000) consequent to this change.

Note 11: Retained earnings

Retained earnings as at 1 April, 2016 has been adjusted consequent to the above Ind AS transition adjustments.

Note 12: Other comprehensive income

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans and deferred gains/losses on cash flow hedges. The concept of other comprehensive income did not exist under Previous GAAP.

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 28, 2018

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 28, 2018

FORM NO. MGT- 11
30TH ANNUAL GENERAL MEETING

EVONIK POWER TO CREATE

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 30th Annual General Meeting of the Company, to be held on Tuesday, the 24th day of July, 2018 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.	Adoption of Balance Sheet of the Company as at 31st March, 2018 and the Profit & Loss Account for the year ended on that date along with the Reports of the Directors and Auditors thereon.		
2.	Appointment of Director in place of Mr. Christian Schlossnikl (DIN: 07557639), who retires by rotation and being eligible offers himself for re-appointment.		
Special Business			
3.	Appointment of Mr. Sanjeev Taneja (DIN : 08055630) as a Director.		
4.	Reappointment of Mr. Dara Phirozeshaw Mehta as an Independent Director of the Company for a 2nd Term		

Signed this .... day of 2018

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

30TH 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 30th Annual General Meeting held on 24th July 2018 at 11:00 a.m. at Registered Office of the Company situated at A-5, UPSIDC Industrial Area, Bhartiagram, Gajraula - 244223, Uttar Pradesh.

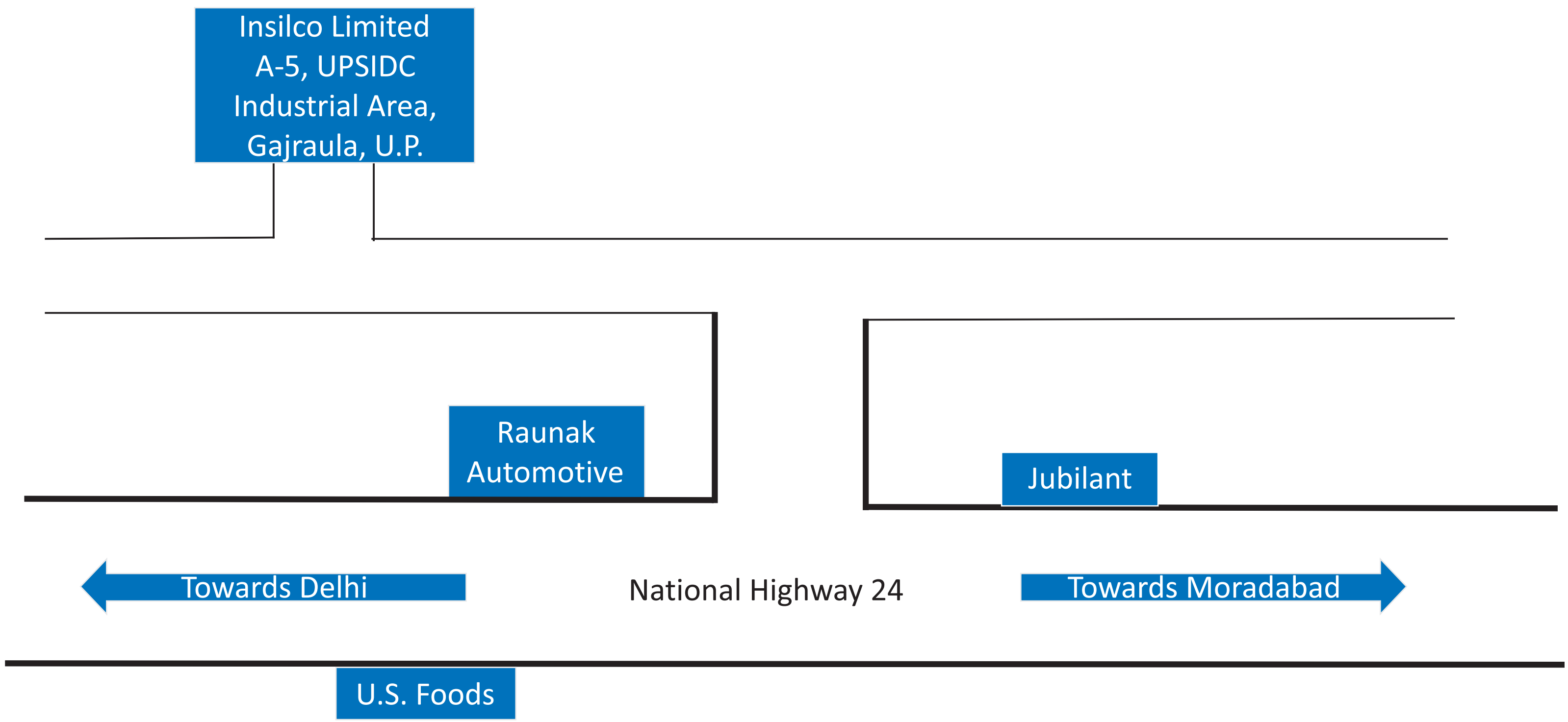
....

*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

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