

INSILCO LIMITED

Proceedings of the Thirty Second Annual General Meeting of the Members of Insilco Limited held on Thursday, 13th August, 2020 at 02:30 P.M. through Video Conferencing/ Other Audio Visual Means ('OAVM').

Members In Attendance

50 members were present including authorized representative of Shareholder - M/s. Evonik Operations GmbH (formerly known as Evonik Degussa GmbH) aggregating 73.11% of the paid-up share capital of the Company. As the AGM was being held through video conference, the facility for appointment of proxies by the members was not applicable.

Directors

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|----|----------------------------|--|---------------------------------|
| 1. | Mr. Dara Phirozeshaw Mehta | Independent Director & Chairman of the Board, Audit Committee and Stakeholders' Relationship Committee | VC from Mumbai, India |
| 2. | Mr. Brijesh Arora | Managing Director | VC from New Delhi, India |
| 3. | Mr. Christian Schlossnikl | Director | VC from Hanau-Wolfgang, Germany |
| 4. | Ms. Meng Tang | Director | VC from Shanghai, China |
| 5. | Mr. Sanjeev Taneja | Director | VC from Hanau-Wolfgang, Germany |
| 6. | Ms. Sonia Prashar | Independent Director and Chairman of Nomination & Remuneration Committee | VC from New Delhi, India |
| 7. | Mr. Vinod Paremal | Director | VC from Germany |

By invitation

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| 1 | Mr. Charan S Gupta
Ms. Meenakshi Sangal
Mr. Ashish Chopra | Representative of M/s. Price Waterhouse & Co Chartered Accountants LLP, Statutory Auditor |
| 2 | Mr. Nityanand Singh | Representative of M/s. Nityanand Singh & Co., Company Secretaries, Secretarial Auditor |
| 3 | Ms. Shivangi Negi | Director – Finance & Chief Financial officer |
| 4 | Mr. Gopalakrishnan A. Iyer | Managing Director of Evonik Specialty Silica India Pvt. Ltd. |
| 5 | Mr. Ajay Kumar Prajapati | Practising Company Secretary, Scrutinizer |
| 6 | Mr. Gautam Gandotra | Representative of Cyril Amarchand Mangaldas, Law Firm |
| 7. | Mr. Venkatesh Parasuram | Company Secretary & Director
Legal & Admin,
Evonik India Private Limited |

questions and answers for registered speakers. She also informed members that they can also post their views or questions on the Communication box available on their video conference screens before 03:00 PM IST. She further stated that the Company reserved the right to limit the number of members asking questions depending on the availability of time at the AGM and requested members to keep their questions brief and specific.

Ms. Swati stated that as per the provisions of Companies Act and SEBI Listing regulations, the Company had provided its members the facility to cast the votes electronically, on the resolutions set forth in the Notice, through remote e-voting. She apprised that those members who had not casted their votes electronically and who were participating in the meeting would have an opportunity to cast their votes during the meeting through the e-voting system provided and administered by NSDL. Ms. Swati further informed that the voting period shall commence at 02:45 p.m and shall be allowed till 03.15 p.m. i.e for 30 minutes.

She requested members to refer to the Instructions provided in the notice of the AGM, for a seamless participation through video conference and in case if the members face any difficulty, they could reach out on the helpline numbers.

32.3 Introduction by the Chairman

The Chairman stated that this was the first virtual AGM of the Company. Given the unprecedented outbreak of global pandemic, Covid-19, the Company had taken the opportunity granted by Ministry of Corporate Affairs and SEBI, to organize the AGM as fully virtual and that the Company had taken all feasible efforts under the current circumstances to enable members to participate through video conference and vote at the AGM. The Chairman thanked all the members, colleagues on the Board, auditors and the management team for joining the meeting over video conference. He also hoped all of the participants and their loved ones are safe and are in good health.

32.4 Chairman Speech

The Chairman, thereafter, delivered his speech which is recorded hereafter:

Dear Members,

I have great pleasure in extending a very warm welcome to all of you to the 32nd Annual General Meeting of the Company. I am grateful to you for the commitment displayed by all of you by sparing your valuable time and making it possible to attend this Meeting. I also welcome the Board Members present in this meeting. All the Board members are present.

The Annual Report containing the Directors' Report and Audited Accounts for the year ended 31st March 2020 has been with you for some time now. With your permission, I shall take them as read.

Company's performance during the financial year 2019-20

The sales of precipitated silica during the year 2019-20 were 9,391 MTs as compared to 16,537 MTs in the previous year. The plant operations have been suspended from 26th October 2019 onwards after refusal of renewal of Consent to operate by UPPCB.

Your Company achieved a sales turnover of Rs. 577 million during the year as compared to Rs. 951 million in the previous year. The Company recorded a loss before depreciation and exceptional items of Rs. 74.50 million as compared to loss before depreciation and exceptional items of Rs. 36.53 million in the previous Financial Year.

Future Outlook

The plant operations of the Company have been suspended since October 26, 2019 due to refusal of "Consent to Operate" by Uttar Pradesh Pollution Control Board (UPPCB) vide its orders dated October 22, 2019. The Company filed Fresh Applications by applications of even date dated November 21, 2019, for Consent to Operate, however, the same were dismissed by the UPPCB vide order dated February 4, 2020. The Company has challenged the afore stated orders by separate appeals under Section 28 of the Water (Prevention & Control of Pollution) Act, 1974 and Section 31 of the Air (Prevention & Control of Pollution) Act, 1981 respectively before the Special Secretary, Department of Environment, Forest and Climate, Uttar Pradesh against the orders of UPPCB. The matter has not been heard until the date of this meeting as the hearing is getting delayed due to the non-availability of the Special Secretary, who has been deputed by the state government on a Covid-19 assignment. With the likely easing of restricting on improvement of Covid-19 situation, we are hopeful of the hearing to take place soon.

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

The cost of production of your company is high as compared to competitors as (i) It is dependent on High Speed Diesel (HSD) as fuel which is comparatively expensive and (ii) It is incurring significant expense in treating the effluent before discharging it. The Board of directors had approved the installation of "Propane-LPG" to reduce energy cost. However, the company cannot install this "Propane-LPG" presently as the plant operations have been suspended after refusal of "Consent to Operate" by UPPCB. Moreover, the company has yet to receive some of the required approvals for the project. It is pertinent to note that while responding to the Company's application to District Magistrate for issue of no objection certificate (NOC) for its proposed Propane LPG project at Gajraula, Uttar Pradesh State Industrial Development Authority (UPSIDA) had asked the Company to submit its approved building maps and certain information relating to change in shareholding of the Company/ its promoters since execution of agreement with UPSIDA in the year 1989. UPSIDA has issued a letter dated 1st July 2020 intimating the company to pay transfer levy of Rs. 80.90 Million. The company vide its letter dated 8th July 2020 has submitted reply to this letter that no transfer levy is applicable to the company as there is no transfer of controlling interest as per operating manual of UPSIDA, since the changes were within promoters inter-se. The company is working on having the issue resolved in the best interest of all the stake holders.

The future of the Company will depend upon obtaining adequate relief in the respective appeals filed before the Special Secretary in the form of a valid Consent to Operate from UPPCB and separately, a valid No Objection Certificate (NOC) from Central Ground Water Authority (CGWA) for extraction of ground water for manufacturing operations. The Plant is totally dependent on extraction of ground water. Gajraula area is now classified as an over exploited zone and based on the directions from National Green Tribunal (NGT), the CGWA is currently not renewing the permit of any industrial units located in Gajraula industrial area to extract ground water. Your company has no other option but to wait to get all the aforesaid permits before commencing operations at the current site in Gajraula, since relocation of the plant to a new green field site is not financially viable due to significant capital investment and current market conditions.

Despite implementing several cost reductions measures, the company is currently incurring a cash loss of over Rs 10 Million per month.

Board of Directors

There has been no change in the Board of Directors of the Company during the financial year 2019-20.

Acknowledgement

I on my behalf and on behalf of my fellow Board members, take this opportunity to express our sincere gratitude to all our stakeholders, who have reposed trust in us and extended their constant support.

I am grateful to the parent Company Evonik Operations GmbH, Germany for providing continued management, technical and marketing support and the Board of Directors for their unwavering support and guidance.

I convey my heartiest appreciation for the dedication and contribution of the employees of Insilco at all levels.

32.5 Formal Proceedings

The Chairman informed that the Annual report containing Notice, Audited Accounts, Auditors' Report etc. was taken as read and it was already circulated to the members.

The Chairman informed the members that the Statutory Auditor had expressed qualified opinion in their audit report for the financial year 2019-2020 and as required under the provisions of Section 145 of the Companies Act, 2013, the same was read in the meeting and is reproduced below:

We draw your attention to Note 33 to the Financial Statements regarding suspension of the Company's manufacturing operations due to rejection of the Company's applications for water and air consent approvals by the U.P. Pollution Control Board (UPPCB) vide its order dated October 22, 2019. The Company preferred appeals before the Special Secretary, Environment, Department of Environment, UP. As stated in the said note the Company's ability to resume its manufacturing operations is dependent on the outcome of ongoing proceedings and the commercial viability of its operations is dependent on the implementation of its proposed LPG project. As explained in Note 26 (d), the Company's application to obtain a No objection certificate for the proposed LPG project and the evaluation of the quantum of transfer charges, if any, payable pursuant to transfer of the controlling interest in the Company by the promoters, are pending with the Uttar Pradesh State Industrial Development Authority. These matters indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Pending resolution of the Company's appeals before the appellate authority, we are unable to comment on the potential impact, if any, on the financial statements in this regard.

The Chairman informed the members that the Statutory Auditors' report on the financial statements of the Company was available on Page Number 63-68 of the Annual Report and the Board's response to qualified opinion in the Directors Report as required under Section 134 of the Companies Act, 2013 was available on Page numbers 10, 13, 25, 110 and 118 of the annual report.

The Chairman further informed that the Secretarial Auditor, have issued clean Secretarial Audit Report.

32.6 Transaction of Items of Business in the Notice of Annual General Meeting

The Chairman informed the members that in compliance with the provisions of Companies Act, 2013, the company had provided the facility to cast their vote through remote e-voting on the resolutions set forth in the Notice. He reminded members that Ms. Swati, Company Secretary had already informed them that voting during the AGM is made available from 02:45 p.m. till 03:15 p.m. Therefore, the members who have not cast their vote electronically and who are participating in this meeting would have an opportunity to cast their votes through the e-voting system provided by NSDL.

The Chairman further stated that there would be no voting by show of hands or by conducting poll. It was further informed that the Company had appointed M/s APK & Associates as the Scrutinizer, who shall supervise the e-voting process and shall unblock the votes cast through remote e-voting and make at earliest, but not later than 48 hours from the conclusion of this AGM, a consolidated scrutinizer's report and handover to him which shall be declared forthwith. The Chairman added that after declaration of results, it can be seen on the website of the Company, website of Bombay Stock Exchange Limited and website of NSDL.

The Chairman thereafter took up the Agenda Items contained in the AGM Notice.

ORDINARY BUSINESS

32.6.1 Item No.1: To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2020 along with the Reports of the Board of Directors and Auditors thereon.

The following resolution was proposed to be passed as an Ordinary Resolution:

“RESOLVED THAT the Audited Financial Statements of the Company for the financial year ended 31st March 2020 along with the Reports of the Board of Directors and Auditors thereon as circulated to the members be and is hereby received, considered and adopted.”

32.6.2 Item No. 2: To consider and appoint a Director in place of Ms. Meng Tang (DIN: 07012101), who retires by rotation and, being eligible, offers herself for re-appointment

The following resolution was proposed to be passed as an Ordinary Resolution:

“RESOLVED THAT Ms. Meng Tang (DIN: 07012101), who retires by rotation and being eligible offers herself for re-appointment be and is hereby re-appointed as the Director of the Company.”

32.7 Invitation to Speaker Shareholders to Ask questions, make Comments etc.

The Chairman invited members who have pre-registered themselves to ask questions on the Agenda Items as set out in the Notice of the AGM.

The following members had registered themselves as Speaker and their questions were taken up by the Chairman.

Sr. No.	Name of the Shareholder
1.	Bharati Saraf
2.	Abhishek J

Speaker Shareholders asked their queries, expressed their views and sought clarifications inter alia on the Company's business operations and its future plans.

On Chairman directions, Mr. Brijesh Arora, Managing Director responded to the queries raised by the Members present in the meeting.

The Chairman also acknowledged the messages posted by the Members in the Communication box available to them on the screen during the AGM.

It was also informed that for the questions unanswered, the Company shall suitably reply over the e-mail.

The Chairman thanked all the participants who had joined the meeting.

The meeting concluded at 03:21 p.m.

Consolidated results of remote e-voting and e-voting conducted during the AGM on the items of 32nd Annual General Meeting of Insilco Limited held on Thursday, 13th August 2020 at 02:30 p.m. through Video Conferencing/Other Audio Visual Means ('OAVM') which was concluded at 03:21 p.m.

The consolidated results as per the Scrutinizer's report dated 13th August 2020, were as follows:

ORDINARY BUSINESS

Item No.1: To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31st March, 2020 along with the Reports of the Board of Directors and Auditors thereon.

Resolution required: (Ordinary / Special)				Ordinary				
Whether promoter/promoter group are interested in the agenda/resolution?				No				
Description of resolution considered				To receive, consider and adopt the Audited Financial Statements of the Company for the Financial Year ended 31 st March, 2020 along with the Reports of the Board of Directors and Auditors thereon.				
Category	Mode of voting	No. of shares held	No. of votes polled	% of Votes polled on outstanding shares	No. of votes – in favour	No. of votes – against	% of votes in favour on votes polled	% of Votes against on votes polled
		(1)	(2)	(3)=[(2)/(1)]* 100	(4)	(5)	(6)=[(4)/(2)]* 100	(7)=[(5)/(2)]* 100
Promoter and Promoter Group	Remote E-Voting	4,58,53,315	4,58,53,315	100.0000	4,58,53,315	0	100.0000	0
	Postal Ballot		-	-	-	-	-	-
	Total		4,58,53,315	4,58,53,315	100.0000	4,58,53,315	0	100.0000
Public-Institutions	Remote E-Voting	2,02,820	-	-	-	-	-	-
	Postal Ballot		-	-	-	-	-	-
	Total		2,02,820	-	-	-	-	-
Public-Non Institutions	Remote E-Voting	1,66,58,865	77,520	0.4653	77,259	261	99.6633	0.3367
	Postal Ballot		-	-	-	-	-	-
	Total		1,66,58,865	77,520	0.4653	77,259	261	99.6633
Total		6,27,15,000	4,59,30,835	73.2374	4,59,30,574	261	99.9994	0.0006
Whether resolution is Pass or Not.							PASSED	

Item No. 2: To consider and appoint a Director in place of Ms. Meng Tang (DIN: 07012101), who retires by rotation and, being eligible, offers herself for re-appointment

Resolution required: (Ordinary / Special)				Ordinary				
Whether promoter/promoter group are interested in the agenda/resolution?				No				
Description of resolution considered				To consider and appoint a Director in place of Ms. Meng Tang (DIN: 07012101), who retires by rotation and, being eligible, offers herself for re-appointment				
Category	Mode of voting	No. of shares held	No. of votes polled	% of Votes polled on outstanding shares	No. of votes – in favour	No. of votes – against	% of votes in favour on votes polled	% of Votes against on votes polled
		(1)	(2)	(3)=[(2)/(1)] * 100	(4)	(5)	(6)=[(4)/(2)]*100	(7)=[(5)/(2)]*100
Promoter and Promoter Group	Remote E-Voting		4,58,53,315	100.0000	4,58,53,315	0	100.0000	0
	Postal Ballot	4,58,53,315	-	-	-	-	-	-
	Total	4,58,53,315	4,58,53,315	100.0000	4,58,53,315	0	100.0000	0
Public-Institutions	Remote E-Voting		-	-	-	-	-	-
	Postal Ballot	2,02,820	-	-	-	-	-	-
	Total	2,02,820	-	-	-	-	-	-
Public-Non Institutions	Remote E-Voting		80,520	0.4833	80,259	261	99.6759	0.3241
	Postal Ballot	1,66,58,865	-	-	-	-	-	-
	Total	1,66,58,865	80,520	0.4833	80,259	261	99.6759	0.3241
	Total	6,27,15,000	4,59,33,835	73.2422	4,59,33,574	261	99.9994	0.0006
Whether resolution is Pass or Not.							PASSED	

DECLARATION OF RESULT ON THE AFORESAID ITEMS AS MENTIONED IN THE NOTICE OF 32nd ANNUAL GENERAL MEETING

On the basis of the Scrutinizer's Report dated 13th August 2020, all the resolutions in the Notice of the 32nd Annual General Meeting which were put to vote, had been passed with the requisite majority and accordingly all the resolutions were declared as passed on 13th August, 2020 which was the date of Annual General Meeting.

Place : Mumbai
Dated : 17th August, 2020

Sd/-
CHAIRMAN

CERTIFIED TRUE COPY
INSILCO LIMITED

Sd/-
SWATI SURHATIA
COMPANY SECRETARY & COMPLIANCE OFFICER