



EVONIK
INDUSTRIES



INSILCO LIMITED

27th Annual Report 2014-15

CORPORATE INFORMATIONS

BOARD OF DIRECTORS

Mr. Dara Phirozeshaw Mehta – Chairman
Mr. Frank Heinz Lelek – Managing Director
Mr. Brijesh Arora – Joint Managing Director
Dr. Mustafa Siray – Director
Mr. Guido Johannes Christ – Director
Ms. Meng Tang – Director

COMPANY SECRETARY

Mr. Sarvesh Kumar Upadhyay

STATUTORY AUDITOR

M/s. S.R. Batliboi & Co. LLP,
Chartered Accountants,
Golf View Corporate Tower – B,
Sector – 42, Sector Road,
Gurgaon – 122002, Haryana

INTERNAL AUDITOR

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

BANKERS

BNP Paribas
State Bank of India
ICICI Bank

REGISTERED OFFICE & WORKS

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

CORPORATE OFFICE

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

REGISTRAR & 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 Estate, 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, India, 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 Twenty Seventh Annual General Meeting (AGM) of Insilco Limited will be held at the Registered Office of the Company as under:

Day & Date : **Wednesday, 12th August, 2015**
Time : **10.30 a.m.**
Venue : **Insilco Limited**
A-5, UPSIDC Industrial Estate,
Bhartiagram, Gajraula - 244223, Uttar Pradesh

to transact the following business: -

A. ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2015 and the Profit & Loss Account for the year ended on that date along with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Frank Heinz Lelek (DIN: 05140529), who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Dr. Mustafa Siray (DIN: 02067680), who retires by rotation and being eligible offers himself for re-appointment.

B. SPECIAL BUSINESS**4. To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution:-**

"RESOLVED THAT pursuant to the provisions of Section 139 of the Companies Act, 2013 and pursuant to Companies (Audit & Auditors) Rules, 2014 and other applicable provisions, if any, the appointment of M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, (Firm Registration No. with ICAI – 301003E) as Statutory Auditor of the Company be and are hereby ratified from the conclusion of this Twenty Seventh Annual General Meeting till the conclusion of Twenty Eighth Annual General Meeting.

RESOLVED FURTHER THAT The Board of Directors of the Company be and are hereby authorized to fix the remuneration including out of pocket expenses of the Statutory Auditor."

5. 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, Ms. Meng Tang, who was appointed as Additional Director of the Company by the Board of Directors with effect from 13th November, 2014 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, along with a deposit of Rupees One Lac proposing the candidature of Ms. Meng Tang for the office of Director, be and is hereby appointed as a Director of the Company.

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"

6. 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. Brijesh Arora, who was appointed as Additional Director of the Company by the Board of Directors with effect from 1st March, 2015 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, along with a deposit of Rupees One Lac proposing the candidature of Mr. Brijesh Arora for the office of a Director, be and is hereby appointed as a Director of the Company."

7. To consider and if thought fit to pass the following Resolution as Special Resolution:-

"RESOLVED THAT subject to the provisions of Section 196, 197 read with Schedule V of the Companies Act, 2013, rules made thereunder and other applicable provisions of the Companies Act, 2013 and Articles of Association of the Company and all other applicable provisions, if any of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), Mr. Brijesh Arora be and

is hereby appointed 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.

RESOLVED FURTHER THAT in addition to the above, Mr. Brijesh Arora shall also be entitled to the following as per existing rules of the Company or as may be amended from time to time :

- a) Performance Pay/Bonus for Insilco Management Team as per criteria determined by Board or at the discretion of Board of Directors subject to maximum of 3 months' basic salary.
- b) Leave Encashment as per rules of the company.
- c) Hard furnishing scheme as per rules of the company with entitlement upto Rs. 5.00 Lacs during the tenure of service (including Hard furnishing availed prior to appointment as director).
- d) Long Service Award as per rules of the Company
 - Payable after completion of 10 years of continuous service Rs. 500,000.
 - Payable after completion of 20 years of continuous service Rs. 750,000.
- e) Coverage of Rs. 6 Lacs under Group Personal Accident Insurance Policy.
- f) Coverage of Rs. 2 Lacs under Group Mediclaim Family Floater Policy.
- g) Use of Company owned & maintained Car.
- h) Continuation of existing housing loan interest subsidy (loan availed before appointment as director) as per rules of the Company.
- i) Group Saving Linked Insurance as per rules of the Company.
- j) Retirement Benefits as per the applicable laws and rules/policies of the company in this regard.

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

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to take all such action as may be necessary in this regard."

8. To consider and if thought fit to pass the following Resolution as an Ordinary Resolution:-

"RESOLVED THAT Pursuant to the provisions of Section 196, 197, 203 read with Schedule V of the Companies Act, 2013, rules made thereunder and relevant provisions of Articles of Association of the Company and all other applicable provisions, if any of the Companies Act, 2013 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) Mr. Frank Heinz Lelek, be and is hereby appointed as Managing Director of the Company for a period of three years with effect from 1st March, 2015 at a remuneration of Rs. Nil.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to take all such action as may be necessary in this regard."

9. To consider and if thought fit to pass the following Resolution as Special Resolution:-

"RESOLVED THAT pursuant to provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with applicable Rules (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force), new set of Articles of Association be and is hereby approved and adopted as the Articles of Association of the Company in total exclusion, substitution and superseding of the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to do all such acts, deeds and action as may be necessary, proper or expedient to give effect to this Resolution."

10. To consider and if thought fit to pass the following Resolution as Special Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 13 and all other applicable provisions of Companies Act, 2013 read with applicable Rules (including any statutory modification or amendment thereto or re-enactment thereof for the time being in force), consent of the Company be and is hereby accorded for the following:

- Addition of the following words at the beginning of the Memorandum of Association and before Clause I "(The Companies Act, 1956 and The Companies Act, 2013, to the extent in force)"
- Clause II shall be substituted with the following
 - II. The registered office of the Company will be situated in the state of Uttar Pradesh.
- Clause III of the Memorandum of Association of the company be and is hereby amended as under:-
 - i. Part A of Clause III of Memorandum of Association i.e. "The object for which the Company is established extend to all the States of India and are the following:" stands substituted with "The main objects of the Company to be pursued by it on its incorporation are:- "
 - ii. Part B of Clause III of Memorandum of Association i.e. "The objects incidental or ancillary to the

attainment of the main objects are.” substituted with the Heading “Matters which are necessary for furtherance of the objects specified in Clause III(A) are:”.

- iii. In the Sub-clause 52 of Part B of Clause III, the following words i.e. “or the Act, to the extent applicable” be added after the existing words “the Companies Act, 1956.”
- iv. Heading of Part C of Clause III stands deleted and objects thereafter be arranged in respective sequence numbers.
- v. Existing sub-clause 10 part C of Clause III of Memorandum of Association stands deleted.
- vi. Existing sub-clause 24 of part C of Clause III of Memorandum of Association stands partly deleted and the retained portion read as follows:

“To engage in and carry on in all or any of their respective branches all or any of the businesses of financial, industrial and management consultants; to establish, promote, organize, manage, develop or act as financial, industrial or management consultants; to assist in the establishment promotion, organization, management or development of any corporation, Company, syndicate, firm, partnership, enterprise or undertaking and to take, over, manage and operate any such corporation, company, syndicate, firm partnership, enterprise or undertaking and to render financial or management services to all or any of them.”

- Clause IV of Memorandum of Association of the company be and is hereby amended and substituted with the following Clause:

“IV. The liability of the Member(s) is limited and this liability is limited to the amount unpaid, if any, on the shares held by them.”

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take all such action as may be necessary in this regard.”

By Order of the Board

Sd/-

Sarvesh Kumar Upadhyay
Company Secretary
ACS 23791

Place : Noida

Date : 21st May 2015

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 10 days from 3rd August, 2015 to 12th August, 2015 (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 special businesses at item no. 4 to 10 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 27th 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” tab to cast your votes.
- iii) Now, select the Electronic Voting Sequence Number (EVSN) appearing along with the name of the Company i.e. INSILCO LIMITED from the drop down menu and click on “SUBMIT”.
- iv) 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

- v) Enter the image verification as displayed and click on Login.
- vi) 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.
- vii) If you are first time user, follow the steps given below:

PAN*	Enter your 10 digit alpha-numeric PAN* issued by Income Tax Department when prompted by the system while e-voting (applicable for both demat shareholders as well as physical shareholders).
DOB#	Enter the Date of Birth as recorded in your demat account or in the Company’s record for the said demat account or folio in dd/mm/yyyy format.
Bank Details#	Enter the Bank Details as recorded in your demat account or in the Company’s records for the said demat account or folio.

* Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.

In case the sequence number is less than 8 digits enter the applicable number of 0’s before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.

Please enter any one of the details in order to login. In case either of the details are not recorded with the depository, enter the member id / folio number (User ID) in the Dividend Bank details field.

- viii) After entering these details appropriately, click on “SUBMIT” tab.
- ix) 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.
- x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- xi) Click on the relevant EVSN on which you choose to vote.
- xii) 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.
- xiii) Click on the “Resolutions File Link” if you wish to view the entire Resolutions.
- xiv) 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.
- xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xvi) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.

- xvii) If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- 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 and Custodians respectively.
 - 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 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 9th August, 2015 (9.00 a.m.) and ends on 11th August, 2015 (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 6th August, 2015, 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 6th August, 2015.
- xxii) Mr. Nityanand Singh, Proprietor of M/s Nityanand Singh & Co., Company Secretaries has been appointed as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- xxiii) The Scrutinizer shall immediately after the conclusion of voting at the Annual General Meeting 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.
- xxiv) 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 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 2015 and the notice of 27th 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 2015 and Notice of 27th 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 49 of the Listing Agreement, the particulars of Directors seeking Appointment/ Re-appointment / fixing of term at Item Nos. 5 - 8 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 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' for viewing the quarterly and annual financial results and for more information about the Company.

EXPLANATORY STATEMENT

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

Item No. 4

The members may be informed that in the twenty Sixth AGM they had appointed M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, (Firm Registration No. with ICAI – 301003E) as Statutory Auditor of the Company for their first term of two years to hold the office from the conclusion of Twenty Sixth AGM till the conclusion of Twenty Eighth AGM of the Company. Pursuant to the provisions of Section 139 of the Companies Act, 2013, the said appointment is subject to the ratification by members at every AGM.

In view of the above, the Board recommends the resolution for ratification by the Members.

None of the Directors, Managers, Key Managerial Personnel & their relatives are concerned or interested, financial or otherwise, in this resolution.

Item No. 5

Pursuant to the provisions of Section 161 of the Companies Act, 2013 and in compliance with the provisions of Section 149 of the Companies Act, 2013 and Clause 49(II)(A) of Listing Agreement, Ms. Meng Tang was appointed as an Additional Director with effect from 13th November, 2014 by the Board of Directors of the Company. Ms. Meng Tang will hold office as an Additional Director upto the date of this AGM.

Ms. Meng Tang is having a degree in International MBA, General Management, Rotterdam School of Management, the Netherlands and Master of Biochemical Engineering, East China University of Science and Technology, China. She is also Bachelor of Science in Chemical Engineering, Xi'an Jiaotong University, China. Ms. Tang has approx. 19 years of rich experience including sales & marketing and business development at senior positions.

The Company has also received a notice proposing the candidature of Ms. Meng Tang for the office of Director of the Company along with deposit of Rs. 1 Lac under section 160 of the Companies Act, 2013.

The Board of Director considers that in view of the background and experience of Ms. Meng Tang, it would be in the interest of the Company to appoint her as a Director of the Company.

The draft terms and conditions of appointment of Ms. Meng Tang shall be open for inspection at the Registered Office of the Company by any member on any working day during normal business hours till the date of AGM.

As required by clause 49(VIII)(E), the particulars of Ms. Meng Tang, who is seeking appointment as Director are attached as **Annexure-A** to this notice.

The Board recommends the resolution for approval by the Members. None of the Directors, Managers, Key Managerial Personnel & their relatives, except Ms. Meng Tang, who is an appointee, are concerned or interested, financial or otherwise, in this resolution.

Item Nos. 6 & 7

Mr. Brijesh Arora was appointed by the Board of Directors of the Company as an Additional Director with effect from 1st March, 2015. The Board, subject to the approval of Shareholders, also appointed Mr. Brijesh Arora as Whole-time Director of the Company designated as "Joint Managing Director" for a period of 3 (three) years with effect from 1st March, 2015, at a remuneration not exceeding Rs. 60,00,000/- per annum and other benefits/performance pay as per rules of the Company which will be reviewed annually with effect from 1st April, 2016 onwards.

In terms of Section 161 of the Companies Act, 2013, Mr. Brijesh Arora will hold office as an Additional Director upto the date of this AGM. In terms of the provisions of Section 196, 197 read with Schedule V of the Companies Act, 2013 approval of shareholders is required for the appointment of Mr. Brijesh Arora as Whole-time Director designated as Joint Managing Director of the Company.

Mr. Brijesh Arora is an MBA 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 is having approx. 23 years of rich experience in different fields of Business Management, Controlling, Finance, Accounts, Legal and Compliances. Mr. Brijesh Arora is associated with your Company since more than 8 years at different senior positions.

The Company has also received a notice proposing the candidature of Mr. Brijesh Arora for the office of Director of the Company along with deposit of Rs. 1 Lac under section 160 of the Companies Act, 2013.

The members may also be informed that Mr. Brijesh Arora was not having any direct or indirect interest in the capital of company or Evonik Degussa GmbH at any time during last two years. Mr. Brijesh Arora neither holds any other directorship nor he is a member or chairman of any committee in any other Company

The members may note that the Nomination and Remuneration Committee in its meeting held on 12th February, 2015, had approved the appointment of Mr. Brijesh Arora as Whole-time Director of the company designated as Joint Managing Director with effect from 1st March, 2015 for three years.

The Board of Directors considers that in view of the background and experience of Mr. Brijesh Arora, it would be in the interest of Company to appoint him as Whole-time Director designated as Joint Managing Director of the Company.

The copy of terms and conditions governing the appointment of Mr. Brijesh Arora is available for inspection on any working day during normal business hours till the date of AGM.

As required by clause 49(VIII)(E), the particulars of Mr. Brijesh Arora, who is seeking appointment as Director and Whole-time Director designated as Joint Managing Director are attached as **Annexure-A** to this notice.

The Members are requested to kindly refer to **Annexure-B** of the notice for Statement of Information as required under Section II of Part II of Schedule V to the Companies Act, 2013.

The Board recommends the resolutions at item nos. 6 & 7 for approval by the Members. Item no. 7 requires approval of members by way of Special Resolution. None of the Directors, Managers, Key Managerial Personnel & their relatives, except Mr. Brijesh Arora, who is an appointee, are concerned or interested, financial or otherwise, in this resolution.

Item No. 8

Mr. Frank Heinz Lelek was appointed as Managing Director of the Company, subject to the approval of Shareholders, for a period of 3 (three) years with effect from 1st March, 2015. This appointment was consequent to retirement of Mr. Pankaj Khandelwal as Managing Director of the Company with effect from 28th February, 2015. Mr. Frank Heinz Lelek has suo-moto opted not to receive any remuneration for his services. The Board of Directors and the Company are really thankful to Mr. Lelek for the gentility extended to the Company.

In terms of the provisions of Section 196, read with Schedule V of the Companies Act, 2013, approval of shareholders are required for the appointment of Mr. Frank Heinz Lelek as Managing Director of the Company.

Mr. Frank Heinz Lelek is President of Region - India of Evonik Industries, AG. He is Managing Director of Evonik India Private Limited (a subsidiary of Evonik Degussa GmbH) and is already on the board of Insilco Ltd. He has done Apprenticeship/Training on Industrial Business Administration Clerk, from Germany and Continuing Education, Export Academy and having extensive experience in the field of Sales, Marketing, leadership and overall management. He is also a member of the Corporate Social Responsibility (CSR) Committee of Evonik India Private Limited.

The members may also be informed that Mr. Frank Heinz Lelek was not having any direct or indirect interest in the capital of the Company or Evonik Degussa GmbH at any time during last two years.

The members may note that the Remuneration Committee in its meeting held on 12th February, 2015, had approved the appointment of Mr. Frank Heinz Lelek as Managing Director of the company with effect from 1st March, 2015 for three years.

The Board of Directors considers that in view of the background and experience of Mr. Frank Heinz Lelek, it would be in the interest of the Company to appoint him as a Managing Director of the Company.

The copy of terms and conditions governing the appointment of Mr. Frank Heinz Lelek is available for inspection on any working day during normal business hours till the date of AGM.

As required by clause 49(VIII)(E), the particulars of Mr. Frank Heinz Lelek, who is seeking appointment as Managing Director are attached as **Annexure-A** to this notice.

The Board recommends the resolutions for approval by the Members. None of the Directors, Managers, Key Managerial Personnel & their relatives, except Mr. Frank Heinz Lelek, who is an appointee, are concerned or interested, financial or otherwise, in this resolution.

Item No. 9

The members may be informed that the Companies Act, 1956 has been replaced by the Companies Act, 2013. Several regulations of the existing Articles of Association (AOA) of the Company contain references to various sections and schedules of the Companies Act, 1956 which are no longer in conformity with the Companies Act, 2013. With the coming into force of the Companies Act, 2013 several regulations of the existing AOA of the Company require alterations or deletions in several articles. Consequently, it is considered necessary to wholly replace the existing AOA by a new set of Articles. The new AOA to be substituted in place of the existing AOA are based on Table 'F' of the Companies Act, 2013 which sets out the model AOA for a Company limited by shares.

The existing AOA of the Company along with the new set of proposed AOA are available for inspection to all the members of the Company at the Registered Office of the Company during business hours of working days till the date of AGM.

Pursuant to the provisions of Section 14 of the Companies Act, 2013, amendment of AOA would require approval of shareholders by way of Special Resolution. Accordingly, this matter has been placed before the shareholders for their approval by way of Special Resolution.

The Board recommends the resolutions for approval by the Members by Special Resolution. None of the Directors, Managers, Key Managerial Personnel & their relatives are concerned or interested, financial or otherwise, in this resolution.

Item No. 10

In view of the new Companies Act, 2013 and rules made there under and partial repeal of the Companies Act, 1956, it is proposed to amend the existing Memorandum of Association (MOA) of the Company in line with table A of Schedule I to the Companies Act, 2013. Thus, your Directors proposed to alter MOA as detailed in the resolution including changes in existing Object(s) under Part-A, Part-B and Part-C of Clause III and Clause IV of the MOA of the Company as per Section 13 of the Companies Act, 2013 read with table A of Schedule I to the Companies Act, 2013. The members may be further informed that there is no change in the main objects of the Company.

Such changes in MOA of the Company need approval of shareholders of the Company by way of Special Resolution.

The existing MOA of the Company along with the new set of proposed MOA are available for inspection to all the members of the Company at the Registered Office of the Company during business hours of working days till the date of AGM.

The Board recommends the resolutions for approval by the Members by Special Resolution. None of the Directors, Managers, Key Managerial Personnel & their relatives are concerned or interested, financial or otherwise, in this resolution.

Annexure-A**Details of the Directors seeking appointment/ re-appointment at the 27th AGM (Pursuant to Clause 49 (VIII) (C) & (E) of the Listing Agreement)****1. Name of the Director : Ms. Meng Tang**

Date of Birth	23 rd March, 1972
Date of appointment	13 th November, 2014
Qualifications	Degree in International MBA, General Management, Rotterdam School of Management, the Netherlands and Master of Biochemical Engineering, East China University of Science and Technology, China, Bachelor of Science in Chemical Engineering, Xi'an Jiaotong University, China.
Expertise in specific functional area	Approx. 19 years of rich experience in the field of sales & marketing, business development etc. at senior positions.
Directorships held in other companies	Nil
Memberships / Chairmanships of Committees in other Companies	Nil
Memberships / Chairmanships of Committees in the Company	Nil
Shareholding, if any, in the Company	Nil
Disclosure of relationship	Not related to any director of the Company.

2. Name of the Director : Mr. Brijesh Arora

Date of Birth	2 nd February, 1970
Date of appointment	1 st March, 2015
Qualifications	MBA and Alumnus of the Indian Institute of Management, Calcutta (IIMC)'s Senior Management Program, Chartered Accountant from the Institute of Chartered Accountants of India, Master of Financial Analysis from Institute of Chartered Financial Analyst, Company Secretary from Institute of Company Secretaries of India.
Expertise in specific functional area	Approx. 23 years of rich experience in different fields of Business Management, Controlling, Finance, Accounts, Legal and Compliances. He is associated with your Company for more than 8 years at different senior positions.
Directorships held in other companies	Nil
Memberships / Chairmanships of Committees in other Companies	Nil

Memberships / Chairmanships of Committees in the Company	Chairman - Share Transfer Committee Member - Stakeholders' Relationship Committee Member - Risk Management Committee Member - Complaints Committee (under Sexual Harassment Policy)
Shareholding, if any, in the Company	Nil
Disclosure of relationship	Not related to any director of the Company.

3. Name of the Director : Mr. Frank Heinz Lelek

Date of Birth	17 th September, 1968
Date of appointment	3 rd May, 2012
Qualifications	Apprenticeship/Training, Industrial Business Administration Clerk, Germany Continuing Education, Export Academy
Expertise in specific functional area	Extensive experience in the field of Sales and Marketing.
Directorships held in other Companies	Evonik India Private Limited
Memberships / Chairmanships of Committees in other Companies	Member - Corporate Social Responsibility Committee of Evonik India Private Limited
Memberships / Chairmanships of Committees in the Company	Chairman - Risk Management Committee Member - Audit Committee Member - Share Transfer Committee Member - Stakeholders' Relationship Committee Member - Complaints Committee (under Sexual Harassment Policy)
Shareholding, if any, in the Company	Nil
Disclosure of relationship	Not related to any director of the Company.

Annexure – B
Statement of Information under Section II of Part II of Schedule V to the Companies Act, 2013 as a part of explanatory statement to item no. 7:

S. No.	Particulars	Information
I.	General Information	
1	Nature of Industry	Chemical Manufacturing
2	Date of commencement of commercial production	1 st January, 1993
3	In case of new Companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable as the Company is an existing Company.

4	Financial performance based on given indicators	Rs. in '000 except EPS		
		PARTICULARS	Year Ended 31.03.2015	Year Ended 31.03.2014
		Gross Turnover	632	686
		Other Income	46	27
		Total Expenditure (including excise duty)	(652)	(733)
		Profit before Depreciation & Exceptional Items	26	(20)
		Depreciation	(12)	(25)
		Profit/ (Loss) for the year before exceptional items	14	(45)
		Exceptional items	-	(74)
		Profit/(Loss) before tax	14	(119)
		(Provision for)/Release of Taxation	-	16
		Profit/(Loss) after tax	14	(103)
		Earning Per Share (EPS)	0.23	(1.64)
Dividend Rate (in %)	Nil	Nil		
5	Export performance and net foreign exchange collaborations	Rs. in '000		
		PARTICULARS	2014-2015	2013-2014
		F.O.B. Value of Exports	2,207	3,477
		Earnings in Foreign Currency (on accrual basis)	2,207	3,477
		Expenditure in Foreign Currency (on accrual basis)	6,485	4,540
6	Foreign investments or collaborators	<p>The Company has not made any investment outside India. The Company is a subsidiary of Evonik Degussa GmbH, Germany, which holds 73.11% in the equity share capital of the Company. The Equity Shares of the Company are listed at Bombay Stock Exchange, Mumbai and as on 31st March, 2015 the total foreign equity share holding (including share holding of holding company) in the Company was 73.54%. The Company also has Technical Assistance Agreement and License Agreement with its holding Company, Evonik Degussa GmbH, Germany.</p>		
II.	Information about the Appointee			
1	Background details	<p>Mr. Brijesh Arora is an MBA 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 is having approx. 23 years of rich experience in different fields of Business Management, Controlling, Finance, Accounts, Legal and Compliances. Mr. Brijesh Arora is associated with your Company for more than 8 years at different senior positions.</p>		

2	Past Remuneration	<p>Mr. Brijesh Arora was entitled for following remuneration immediately before the appointment as Whole-time Director</p> <p>(a) Rs. 33,11,904/- per annum; and (b) As per policy of the Company, Mr. Brijesh Arora was also eligible for</p> <ul style="list-style-type: none"> - Performance linked bonus as per scheme of the Company. - Leave Encashment. - Hard furnishing scheme - Long Service Award. - Coverage under Group Personal Accident Insurance Policy of the Company. - Coverage under Group Mediclaim Family Floater Policy. - Group Saving Linked Insurance. - Housing Loan Interest Subsidy. - Use of Company owned & maintained Car. - Retirement Benefits as per the applicable laws and rules/ policies of the Company in this regard. - Any other benefit(s) as per the Company Policy and as amended from time to time.
3	Recognition or awards	Letter of Recognition for optimization of Investments in Insilco Ltd.
4	Job profile and his suitability	<p>The Board has authorized Mr. Brijesh Arora for taking day to day business decisions of the Company.</p> <p>Mr. Brijesh Arora has rich experience of approx. 23 years and knowledge about the Chemical industry and adequate professional qualifications. He has served the Company at senior positions in Finance, Accounts, Legal and Compliances and also contributed to operations of the Company during his tenure of more than 8 years. The Board of Directors considers that in view of the background and experience of Mr. Brijesh Arora, it would be in the interest of the Company to appoint him as Whole-time Director designated as Joint Managing Director of the Company.</p>
5	Remuneration proposed	As stipulated in Special Resolution at item no. 7 of the notice.
6	Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details should be w.r.t. the country of his origin)	For the responsibilities shouldered by Mr. Brijesh Arora as Whole-time Director designated as Joint Managing Director of the Company for managing various day to day business affairs of the Company, the remuneration of Mr. Brijesh Arora compares favourably with the remuneration paid to the Joint Managing Directors / business heads of the Companies in similar industry, like sized and similarly positioned businesses.
7	Pecuniary relationship directly or indirectly with the Company or Relationship with the managerial personnel, if any	<p>Mr. Brijesh Arora does not have, directly or indirectly, any pecuniary relationship with the Company, except in his position as Whole-time Director (designated as Joint Managing Director) and Director of the Company.</p> <p>Mr. Brijesh Arora does not have any relationship with any managerial personnel of the Company.</p>
III.	Other Information	
1	Reasons of loss or inadequate profits	Increasing cost of raw materials, power and fuel has affected the performance of the Company.
2	Steps taken or proposed to be taken for improvement	The Company continues to strive for growth, higher realisations, energy optimization, better working capital management and better asset utilization. The Company is actively pursuing growth opportunities and looking at areas to reduce its cost of production. The Company is evaluating plans to have optimum utilization of the production capacity and to improve its product mix.

3	Expected increase in productivity and profits in measurable terms	The capacity utilisation and top line is expected to increase.
IV.	Disclosures	
1	The shareholders of the Company shall be informed of the remuneration package of the managerial person	As stipulated in Special Resolution at item no. 7 of the notice.
2	Other Disclosures	The Corporate Governance report which forms part of the Directors' Report contains the disclosures required to be mentioned therein.

By the order of the Board

Place : Noida
Date : 21st May, 2015

Sd/-
Sarvesh Kumar Upadhyay
Company Secretary
ACS 23791

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 27th Annual Report together with the Audited Accounts for the financial year ended March 31, 2015.

1. EXTRACTS OF THE ANNUAL RETURN

I. Registration and Other Details

Corporate Identity Number (CIN)	L34102UP1988PLC010141
Name of the Company	Insilco Limited
Registration Date	19 th 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	M/s. MCS Share Transfer Agent Limited F-65, 1 st Floor, Okhla Industrial Area, Phase – I, New Delhi – 110020 Contact Details: Contact No. : (011)41406149-52 Fax No. : (011) 41709881 Email : 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 of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares held	Applicable Section
Evonik Degussa GmbH	Not Applicable	Holding	73.11	2(46)

Your Company does not have any Subsidiary or Associate Company.

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

i) Category-wise Share Holding

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									
(1)	Foreign									
(a)	Bodies Corporate	0	45,853,315	45,853,315	73.11	0	45,853,315	45,853,315	73.11	0.00
	Total Shareholding of Promoter (A)	0	45,853,315	45,853,315	73.11	0	45,853,315	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	50,000	0	50,000	0.08	0	0	0	0.00	0.08
	Sub-Total (B)(1)	50,330	37,410	87,740	0.14	330	37,410	37,740	0.06	0.08
(2)	Non-institutions									
(a)	Bodies Corporate									
(i)	Indian	1,618,453	82,880	1,701,333	2.71	2,548,628	82,880	2,631,508	4.20	1.49
(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	8,567,601	2,783,642	11,351,243	18.11	7,768,846	2,727,622	10,496,468	16.74	1.37
	(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	3,444,168	0	3,444,168	5.49	3,428,212	0	3,428,212	5.47	0.04
(c)	Any Other									
	(i) NRIs	110,851	1,270	112,121	0.18	101,407	1,270	102,677	0.16	0.02

Total Public Shareholding (B)= (B)(1)+(B)(2)	13,956,483	2,905,202	16,861,685	26.89	14,012,503	2,849,182	16,861,685	26.89	0.00
GRAND TOTAL (A)+(B)+(C)	13,956,483	48,758,517	62,715,000	100	14,012,503	48,702,497	62,715,000	100	0.00

ii) Shareholding of promoters

Shareholders 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	45,853,313	73.11	0.00	45,853,313	73.11	0.00	0.00

iii) Change in Promoters' Shareholding:

There was no change in the promoters' Shareholding during the Financial Year 2014-15.

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

The shareholding pattern of top ten shareholders at the beginning of the Financial Year 2014-15 and at the end of the Financial Year 2014-15 is given herein below:

S. No.	Name of Shareholders	Shareholding at the beginning of the Financial Year 2014-15		Shareholding at the end of the Financial Year 2014-15	
		No. of Shares	%	No. of Shares	%
1	Rajasthan Global Securities Limited	-	0.00	476,560	0.76
2	Dharam Chand Baheti	302,995	0.48	302,995	0.48
3	Sonex Investment Limited	165,080	0.26	165,080	0.26
4	Unique Securities Private Limited	153,388	0.24	153,388	0.24
5	Maverick Share Brokers Limited	3,150	0.01	152,000	0.24
6	Globe Capital Market Limited	-	0.00	135,811	0.22
7	Rural Engineering Co. Private Limited	115,000	0.18	115,000	0.18
8	Supreme Portfolio Private Limited	-	0.00	114,561	0.18
9	Doon Realtors Private Limited	111,770	0.18	111,770	0.18
10	Asish Finance Limited	110,500	0.18	110,500	0.18
11	Latha B	200,777	0.32	100,000	0.16
12	Rajesh Kumar Somani	100,000	0.16	100,000	0.16
13	Vijay Gupta (HUF)	83,802	0.13	88,802	0.14
14	Girdhar Fiscal Services Private Limited	77,539	0.12	77,539	0.12

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 2014-15.

V. Indebtedness

Indebtedness of the Company including interest outstanding / accrued but not due for payment:

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 (WTD)			Total
		Mr. Pankaj Khandelwal (MD) ¹	Mr. Frank Heinz Lelek (MD) ²	Mr. Brijesh Arora (WTD) ³	
1	Gross salary (a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) of Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961	3,036,000 453,383 -	- - -	306,400 46,661 -	3,342,400 500,044 -
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission a. As % of profit b. Other, specify	- -	- -	- -	- -
5	Other, please specify	-	-	-	-
	Total (A)	3,489,383	-	353,061	3,842,444
	Ceiling as per the Act ⁴	8,400,000	8,400,000	8,400,000	25,200,000

¹. Mr. Pankaj Khandelwal retired w.e.f. close of working hours of 28th February, 2015.

². Mr. Frank Heinz Lelek was appointed as MD w.e.f. 1st March, 2015 and he opted not to receive any remuneration. He was not receiving any remuneration in the capacity of Director even before appointment as MD w.e.f. 1st March, 2015.

³. Mr. Brijesh Arora was appointed as WTD (Designated as Joint Managing Director) w.e.f. 1st March, 2015.

⁴. Ceiling has been calculated per annum pursuant to the provisions of Section II, Part II of Schedule V, which does not include 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. The said ceiling for Mr. Brijesh Arora is subject to approval of Shareholders in the ensuing AGM by way of Special Resolution.

B. Remuneration to Other Directors

(Amount in Rs.)

Particulars of Remuneration	Name of Directors (Independent Director = ID) (Other Non-Executive Directors = NED)							Total
	Mr. Dara Phiroze-shaw Mehta (ID)	Mr. Guido Johannes Christ (ID) ⁵	Total Remuneration of ID	Dr. Mustafa Siray (NED)	Mr. Roberto Martin Vila Keller (NED) ⁶	Ms. Meng Tang (NED) ⁷	Total Remuneration of NED	
1. Independent Directors								
a. Fee for attending Board & Committee Meetings	380,000	240,000	620,000	-	-	-	-	620,000
b. Commission	-	-	-	-	-	-	-	-

C. Overall managerial remuneration and ceiling⁸

(Amount in Rs.)

Total Managerial Remuneration	3,842,444
Overall Ceiling as per the Act	25,200,000

D. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(Amount in Rs.)

S. No.	Particulars of Remuneration	Key Managerial Personnel				Total
		Mr. Brijesh Arora (Company Secretary) ⁹	Mr. Brijesh Arora (CFO) ¹⁰	Mrs. Sheetal Saluja (Company Secretary) ¹¹	Mrs. Shivangi Negi (CFO) ¹²	
1	Gross salary					
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	994,274	1,609,401	399,237	80,980	3,083,892
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	92,321	240,296	5,620	-	338,237
	(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)	1,086,595	1,849,697	404,857	80,980	3,422,129

⁵ Mr. Guido Johannes Christ was appointed as an Independent Director w.e.f. 29th April, 2014.

⁶ Mr. Roberto Martin Vila Keller resigned as Director w.e.f. closure of working hours of 14th August, 2014.

⁷ Ms. Meng Tang was appointed as an Additional Director w.e.f. 13th November, 2014.

⁸ This does not include sitting fee as prescribed under the Companies Act, 2013

⁹ Mr. Brijesh Arora resigned as Company Secretary of the Company w.e.f. 14th August, 2014.

¹⁰ Mr. Brijesh Arora was re-designated as CFO of the Company w.e.f. 14th August, 2014 and resigned from this position from closure of working hours of 28th February, 2015.

¹¹ Mrs. Sheetal Saluja was appointed as Company Secretary of the Company w.e.f. 14th August, 2014 and resigned w.e.f. closure of working hours of 19th February, 2015.

¹² Mrs. Shivangi Negi was appointed as CFO of the Company w.e.f. 1st March, 2015.

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

2. NUMBER OF MEETINGS OF THE BOARD

The Board duly met 4 times in Financial Year 2014-15 on 29th April, 2014, 14th August, 2014, 13th November, 2014 and 12th February, 2015.

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 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 this Act 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 49 of the Listing Agreement with the Stock Exchange, the Board of Directors has constituted 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 Agreement. The said policy of the Company is attached as **Annexure-I** to this report.

5. SECRETARIAL AUDIT

M/s. Nityanand Singh & Co., a firm of Company Secretaries having their address at 14, 2nd Floor, Arjun Nagar, Safdarjung Enclave, New Delhi - 110029 has conducted the Secretarial Audit of the Company for the Financial Year 2014-15. The Secretarial Audit Report issued by the said firm is attached to this report as **Annexure-II**.

6. EXPLANATION OR COMMENTS BY THE BOARD ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE

(i) BY STATUTORY AUDITOR

The members are informed that there were no qualifications, reservation or adverse remark or disclaimer made by Statutory Auditor in the Audit Report. Hence no explanation/comments are required to be given by the Board.

(ii) BY THE COMPANY SECRETARY IN PRACTICE IN HIS SECRETARIAL AUDIT REPORT

The members are informed that there were no qualifications, reservation or adverse remark or disclaimer made by Secretarial Auditor in the Secretarial Audit Report. Hence no explanation/comments are required to be given by the Board.

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-III** to this report.

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, 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:

www.insilcoindia.com → Investors → Policies

9. THE STATE OF COMPANY'S AFFAIRS

A. Financial Highlights

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

Particulars	Year Ended 31.03.2015	Year Ended 31.03.2014
Gross Turnover	632	686
Other Income	46	27
Total Expenditure (including excise duty)	(652)	(733)
Profit before Depreciation & Exceptional Items	26	(20)
Depreciation	(12)	(25)
Profit/ (Loss) for the year before exceptional items	14	(45)
Exceptional items	-	(74)
Profit/(Loss) before tax	14	(119)
(Provision for)/Release of Taxation	-	16
Profit/(Loss) after tax	14	(103)

B. Results of Operations

Sales of Precipitated Silica during the year were 9,527 MT (previous year 11,128 MT) and were lower than the target of 13,797 MT. The Production during the year was 10,062 MT (previous year 11,207 MT).

Due to lower sales, your Company achieved a sales turnover of Rs. 632 Million during the year as compared to Rs. 686 Million in the previous year and recorded a profit before depreciation & exceptional items of Rs. 26 Million as against a loss of Rs. (20) Million in the previous Financial Year. The Company had reserves of Rs. 268 Million as on 1st April, 2014. During the year the Company has transferred accumulated depreciation of Rs. 14 Million to reserves of the Company as per requirement of Schedule II of the Companies Act, 2013 resulting in reduction in reserves. The profit for the Financial Year 2014-15 was Rs. 14 Million. Therefore the closing balance of reserves and surplus as on 31st March, 2015, amounted to Rs. 268 Million.

The Company is endeavored to increase its turnover and increase its profit. The Company is looking for optimum utilization of its assets and other resources so that journey of profitable growth is continued. With the support of Evonik, we continue to make efforts to optimize energy utilization, improve working capital management and achieve better realization from customers. Several customers value the quality, application & technical support and overall service of the Company and have continued to support it by accepting higher prices.

C. Future Outlook

The Indian economy is improving and showing the potential for growth. The market is showing positive signs since the formation of new government in India. The Company continues to enjoy a high standing with its customers because of its quality and value added services. Besides, it is actively exploring options to reduce the energy costs and pursuing all growth opportunities so as to improve the results. Several quality conscious customers have supported us till date and pay us a premium for our quality products. However, future growth of the company will depend upon our ability to optimize our costs by making our products more competitive and increasing capacity utilization. There are inherent opportunities available for the Company in the target industries such as Tyres, Automotive Components, Mechanical rubber goods, Footwear, Agrochemicals and Food. The silica applications in all these industries are growing rapidly. The Company is actively pushing growth opportunities to use the unutilized production capacity and improve product mix.

10. TRANSFER TO RESERVES

The Company had reserves of Rs. 268 Million as on 1st April, 2014. During the year the Company has transferred accumulated depreciation of Rs. 14 Million to reserves of the Company as per requirement of Schedule II of the Companies Act, 2013 resulting in reduction in reserves. The profit for the Financial Year 2014-15 was Rs. 14 Million. Therefore the closing balance of reserves and surplus as on 31st March, 2015, amounted to Rs. 268 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 FINANCIAL YEAR TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF REPORT

There is 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 the 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 regular review of energy generation, consumption and effective control on utilization of energy.

During the year the Company has also made a capital investment on DG Set as an alternate source of energy. The electricity is the preferred source of generating energy for the business needs of the Company. However, during electricity cuts/non-availability DG Set is used as a back-up source for generation of energy.

We have reduced product change over time in production process and improved energy efficiency.

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 last three years

The Company has not imported any technology during 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 earning 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 31 st March 2015	Year ended 31 st March 2014
a) Total Foreign Exchange earned	2,207	3,477
b) Total Foreign Exchange used	6,485	4,540

14. STATEMENT ON RISK MANAGEMENT POLICY

The Board of Directors has developed and implemented a risk management policy for the Company. A risk management committee has also been formed for identification & assessment of risks and minimization of risks by adopting various measures. The Company has taken proper initiatives to mitigate risks however in the opinion of the Board there are following risk 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; and
3. Environmental Risk if stringent norms introduced by government for chemical industry near to Ganga River.

The risk management policy of the Company is available on the website of the Company at the following path:
www.insilcoindia.com → Investors → Policies

15. POLICY ON PREVENTION OF SEXUAL HARASSMENT AT WORKPLACE

The Board of Directors of the Company has also laid down a policy on prevention of sexual harassment at

workplace. A complaint committee has also been formed by the 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:

www.insilcoindia.com → Investors → Policies

16. 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.

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

The Board has laid down manner and criteria of evaluation of Board of its own, Committees and Individual Directors in which annual evaluation of the Board, Committees of the Board and Individual Directors would be evaluated. The evaluation includes various criteria including performance, targets, sincerity towards 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 performance upto the mark and satisfactory. The Nomination and Remuneration Committee has also evaluated individual performance of each Director and found it satisfactory.

Evaluation criteria for the Individual Directors are also detailed in **Annexure-I** attached to this report which is also available on the website of the Company.

18. WHISTLE BLOWER POLICY

Pursuant to the provisions of Section 177(10) of the Companies Act, 2013 and Clause 49 of the Listing Agreement, 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. The copy of the said policy is available on the website of the Company at the following path:

www.insilcoindia.com → Investors → Policies

19. CHANGE IN THE NATURE OF BUSINESS, IF ANY

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

20. DIRECTORS & KEY MANAGERIAL PESSONNEL (KMP)

Change in Directors and KMPs

During the year, your Directors had appointed Mr. Guido Johannes Christ as an Independent Director w.e.f. 29th April, 2014. Mr. Guido Johannes Christ was appointed as an Independent Director to hold the office till the conclusion of 26th AGM. In the 26th AGM held on 14th August, 2014, the members of the Company had appointed Mr. Christ as an Independent Director w.e.f. 29th April, 2014 for a non rotational term of upto five consecutive years.

Mr. Guido Johannes Christ has studied Mechanical Engineering at the University of Karlsruhe, Germany and graduated as M.Sc. Engineering with focus on turbo machinery and material handling. He has extensive experience of about 39 years in the field of Research & Development and Sales & Marketing. Since June 2008, he is the Deputy Director General at the Indo-German Chamber of Commerce at New Delhi.

Mr. Roberto Martin Vila Keller resigned from the Board w.e.f. 14th August, 2014 due to his other preoccupations. The Board records its appreciation for the valuable services rendered by Mr. Roberto Martin Villa Keller during his tenure as a Director of the Company.

Mr. Brijesh Arora designated as Vice President (Finance & Accounts) and Company Secretary was re-designated and appointed as Chief Financial Officer of the Company w.e.f. 14th August, 2014 and he resigned from the position of Company Secretary of the Company from that date.

Consequent to the resignation of Mr. Brijesh Arora as Company Secretary, Ms. Sheetal Saluja was appointed as Company Secretary of the Company w.e.f. 14th August, 2014. Ms. Sheetal Saluja is a commerce graduate from Delhi University and an associate member of Institute of Company Secretaries of India. She has also done Bachelors of Law (LL.B) from Kurukshetra University, Haryana, India. She has an experience of 5 years in Company Secretarial and legal field and was already working with the Company as an Asst. Manager (Legal & Secretarial) since April, 2013. However she had resigned from the position of Company Secretary and all other positions of the Company w.e.f. 19th February, 2015 as she had to relocate to UAE due to some personal reasons. The Board wishes to place on record its appreciation for valuable contribution made by Ms. Sheetal Saluja during her tenure in the Company.

Pursuant to the provisions of Section 149 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, Ms. Meng Tang was appointed as an Additional Director w.e.f. 13th November, 2014. Ms. Meng Tang has done Bachelor of Science in Chemical Engineering from Xi'an Jiaotong University, China and Master of Biochemical Engineering from East China University of Science and Technology, China. She has also done an International MBA – General Management from Rotterdam school of Management at Netherlands. She is having an experience of about 17 years in the field of Research, Development and Marketing. She is presently a Business Director, Asia Pacific region at Evonik Degussa, China. She is holding the office as an Additional Director up to the date of next AGM of the Company. It is proposed to appoint Ms. Meng Tang as a Director liable to retire by rotation in the upcoming AGM.

The contract of Mr. Pankaj Khandelwal as Managing Director of the Company has been completed on 28th February, 2015. Mr. Khandelwal opted to take retirement to devote time for personal interest on completion of his contract on 28th February, 2015. Consequent to same, Mr. Pankaj Khandelwal retired from all positions of the Company including Managing Director w.e.f. close of working hours on 28th February, 2015. The Board recorded its appreciation of the valuable services rendered to the Company by Mr. Pankaj Khandelwal as its Managing Director.

Consequent to the retirement of Mr. Pankaj Khandelwal the position of Managing Director was vacant and Mr. Frank Heinz Lelek, an existing Director of the Company, was appointed as Managing Director w.e.f. 1st March, 2015 for a period of three years. Mr. Frank Heinz Lelek is President of Region - India of Evonik Industries, AG. He is Managing Director of Evonik India Private Limited (a subsidiary of Evonik Degussa GmbH) and is already on the Board of Insilco Ltd. He has done Apprenticeship/Vocational Training on Industrial Business Administration, from Germany and Continuing Education, Export Academy Baden-Württemberg and having 27 years experience in the field of Sales, Marketing and General Management. He is also a member of the Corporate Social Responsibility Committee of Evonik India Private Limited.

Mr. Brijesh Arora was appointed as an Additional Director of the Company w.e.f. 1st March, 2015. Consequently, he tendered his resignation as Chief Financial Officer of the Company w.e.f. close of working hours of 28th February, 2015. Mr. Brijesh Arora was also appointed as Whole-time Director designated as Joint Managing Director w.e.f. 1st March, 2015 for the period of three years. Mr. Brijesh Arora is an MBA and Alumnus of the Indian Institute of Management, Calcutta (IIMC)'s Senior Management Program (SMP). He has also done Chartered Accountancy Course from the Institute of Chartered Accountants of India (ICAI), Master of Financial Analysis (MFA) from Institute of Chartered Financial Analyst (ICFAI) and Company Secretary course from Institute of Company Secretaries of India (ICSI). He has successfully completed Executive Development Program-Advanced (EDP Advanced module) of Evonik. Mr. Brijesh Arora has approximately 23 years of rich experience in different fields of Business management, Controlling, Finance, Accounts, Legal and Compliances. Mr. Brijesh Arora has been associated with your Company for more than 8 years at different senior positions.

Consequent to the resignation of Mr. Brijesh Arora from the position of Chief Financial Officer, Mrs. Shivangi Negi was appointed as Chief Financial Officer of the Company w.e.f. 1st March, 2015. Mrs. Shivangi Negi has been a member of the Institute of Chartered Accountants of India since 2006 and holds a Bachelor's degree in Commerce (Hons.) from Delhi University. She is studying to become a Chartered Financial Analyst (CFA) from Institute of Chartered Financial Analysts of India (ICFAI). She is working with the Company since September 2008, in Finance & Accounts department. She has an experience of 12 years (including post qualification experience of 8 years) in different fields of Finance, Accounts and Taxation.

Term of Independent Directors

The two Independent Directors of the Company i.e. Mr. Dara Phirozeshaw Mehta and Mr. Guido Johannes Christ were appointed for their first term in the 26th AGM of the Company held on 14th August, 2014. The first term of Mr. Dara Phirozeshaw Mehta has started w.e.f. 1st April, 2014 for five consecutive years. The first term of Mr. Guido Johannes Christ has started w.e.f. 29th April, 2014 for five consecutive years.

Directors retiring by rotation

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. Frank Heinz Lelek, Managing Director and Dr. Mustafa Siray, Director of the Company shall retire by rotation at the ensuing AGM of the Company and being eligible offer themselves for re-appointment. The Board recommends their re-appointment to the members of the Company in the ensuing AGM.

Statement on declaration given by Independent Directors

The members are informed that both the Independent Directors i.e. Mr. Dara Phirozeshaw Mehta and Mr. Guido Johannes Christ 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 above two 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 conducted a program on familiarization of the Independent Directors with the Company. In this regard they were also provided with a note on the same consisting profile of the Company, nature of Company

in which Company operates, business philosophy & model of the Company, Roles, rights, responsibilities of Independent Directors in the Company and Policies/Rules and Regulations of the Company. The details of such note of Familiarization of Independent Directors with the Company are also displayed on the website of the Company at the following link:

www.insilcoindia.com → Investors → Notes

21. DISCLOSURES RELATED TO REMUNERATION OF DIRECTORS AND KMPs

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

Mr. Brijesh Arora was appointed as Whole-time Director designated as Joint Managing Director 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. Pankaj Khandelwal¹³ to median remuneration of employees during the Financial Year 2014-15 was 15.02:1.
- Ratio of remuneration of Mr. Brijesh Arora to median remuneration of employees during the Financial Year 2014-15 was 15.51:1.

c. Percentage increase in remuneration of each Director and KMP

S. No.	Name & Designation	% Increase in remuneration in Financial Year 2014-15
1	Mr. Pankaj Khandelwal* (Managing Director)	Nil
2	Mr. Brijesh Arora (Joint Managing Director)	Not applicable as appointed w.e.f. 1 st March, 2015
3	Mr. Brijesh Arora Vice President (Finance & Accounts) and Company Secretary	6.07%

Note

* Mr. Pankaj Khandelwal retired w.e.f. close of working hours of 28th February, 2015.

There was no other Director or KMP whose remuneration was increased during the Financial Year 2014-15.

d. Percentage increase in the median remuneration of employees

The percentage increase in the median remuneration of employees in the Financial Year 2014-15 was 6.56%.

e. No. of employees of the Company

As on 31st March, 2015, your Company had 117 permanent employees on the rolls of the Company. The same does not include contractual employees.

f. Relationship between average increase in remuneration and Company Performance

The Company achieved a sales turnover of Rs. 632 Million during the Financial Year 2014-15 as compared to Rs. 686 Million in the previous year and recorded a net profit of Rs. 14 Million approx. as against net loss of Rs. (103) Million approx. respectively. The average increase in remuneration of employees of the Company was 5.56% during the Financial Year 2014-15.

g. Comparison of remuneration of KMP against the performance of the Company

Considering the performance of the Company, as explained in clause (f) above, during the Financial Year sales in MT reduced by 14.39% and net profit was increased by Rs. 117 Million approx., the remuneration of KMP, Managing Director and Whole-time Director as explained in clause 1(VI)(A) & (D) are moderate and can be termed as reasonable.

h. Variations in the market capitalization of the Company

Particulars	As on 31 st March, 2014 (Rs.) (in Crores)	As on 31 st March, 2015 (Rs.) (in Crores)	Variation (Rs.) (in Crores)	Variation (%)
Market Capitalization (Rs.)	70.24	108.50	38.26	54.47

¹³ Remuneration here includes gratuity and leave encashment paid to Mr. Pankaj Khandelwal as his retirement benefits.

i. Price earning ratio as at the closing date of Financial Year 2013-14 and 2014-15

Particulars	As on 31 st March, 2014	As on 31 st March, 2015
Price Earning Ratio (Share price to EPS)	Not applicable because of the loss	75.22 : 1

j. Percentage increase or (over) decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer (PO)

(Amount in Rs.)

Particulars	Price per share	Variation in rate compared with rate of PO	% of such variation
Rate of last PO/per share	10	-	-
Highest rate in Financial Year 2014-15	26.50	16.50	165
Lowest rate in Financial Year 2014-15	10.75	0.75	7.5
Rate as on 31 st March, 2015	17.30	7.30	73

k. Average percentage increase already made in the salaries of employee of other than the managerial personnel in the Financial Year 2014-15 and justification thereof and exceptional circumstances for increase in the managerial remuneration, if any

Particulars	Financial Year 2014-15	Comments
Average percentage increase in the salaries of employee other than Managerial Personnel	5.57	-
Average percentage Increase in salary of Managerial Personnel	Nil	No increment was given to any managerial personnel during Financial Year 2014-15

l. Comparison of the remuneration of each KMP against the performance of the Company

Considering the performance of the Company, as explained in clause (f) above, the remuneration of each KMP (including Managing Director and Whole-time Director) as explained in clause 1(VI)(A)&(D) is moderate and can be termed as reasonable.

m. Key parameters of variable component of remuneration availed by Director

During the Financial Year no Director availed any variable component. However, as on 31st March, 2015, the estimated performance pay payable to Mr. Brijesh Arora (Joint Managing Director) is ¹⁴Rs. 109,375. The key parameters for variable component of remuneration to be paid to Mr. Brijesh Arora are Safety, Productivity and Management of fixed costs.

n. Ratio of Remuneration of highest paid employee if it exceeds remuneration of highest paid Director

There was no employee of the Company who had been paid remuneration more than the remuneration paid to Mr. Pankaj Khandelwal (Ex-Managing Director of the Company) or Mr. Brijesh Arora, Joint Managing Director of the Company.

o. Policy compliance affirmation

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

22. AUDITORS

The members are informed that pursuant to the provisions of Section 139 read with the Companies (Audit and Auditors) Rules, 2014, M/s. S.R. Batliboi & Co. LLP, Chartered Accountants (Firm Registration No. with ICAI – 301003E) was appointed as Statutory Auditor for its first term of two years i.e. from the conclusion of 26th Annual General Meeting till conclusion of 28th Annual General Meeting. However the above said appointment was subject to ratification by members of the Company in each Annual General Meeting.

In view of the above, it is proposed to appoint M/s. S.R. Batliboi & Co. LLP as Statutory Auditor of the Company from the conclusion of 27th Annual General Meeting till the conclusion of 28th Annual General Meeting. At the conclusion of 28th Annual General Meeting their first term of two years will complete.

¹⁴ This amount includes Rs 72,917/- as performance pay payable to Mr. Brijesh Arora for the month of Jan-Feb 2015 when he was Chief Financial Officer of the Company.

M/s. S.R. Batliboi & Co. LLP, has expressed its willingness to act as Statutory Auditor of the Company and has provided the requisite documents as required under the Act.

23. COST AUDITOR

Cost Audit/Cost Records for Financial Year 2014-15

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 2014-15 the Company is required to maintain cost records. However, before above said rules were notified the Board had appointed M/s. Ajay Ahuja & Associates (Registration no. 101142) as Cost Auditor in absence of clear provisions in this regard so that they could place the remuneration of Cost Auditor for the approval of members in twenty sixth AGM. Since the cost auditor has been appointed for Financial Year 2014-15, the Company will opt for the cost audit and will also comply with the above said rules.

For the Financial Year 2015-16, pursuant to above said rules, the Company will maintain cost records.

Cost Audit for Financial Year 2013-14

Name of Cost Auditor : M/s. Ajay Ahuja & Associates (Registration no. 101142)
 Contact Address : 7/156, Ramesh Nagar, New Delhi-110015
 E-mail : cmaajayahuja@gmail.com, ajayahujaassociates@gmail.com
 Mobile : +91 9810326644
 Due date of filing
 Cost Audit Report : 30th September, 2014
 Actual date of Filing
 Cost Audit Report : 30th September, 2014

24. PRACTISING COMPANY SECRETARY

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

25. AUDIT COMMITTEE

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

As on 31st March 2015

S. No.	Name of Director	Designation in Audit Committee
1	Mr. Dara Phirozeshaw Mehta	Chairman
2	Mr. Guido Johannes Christ	Member
3	Mr. Frank Heinz Lelek	Member

All the recommendations made by the Audit Committee were accepted by the Board of Directors of the Company.

26. 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 during the year.

27. DEPOSITS

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

28. 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 impact the going concern status and Company's operations in future.

29. 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.

30. DELISTING OF EQUITY SHARES OF THE COMPANY

The members are informed that the Company had received a proposal through a letter dated 12th November, 2014 from its holding Company i.e. Evonik Degussa GmbH, a Company incorporated under the laws of Germany ("the Acquirer") expressing its intention to provide an exit opportunity to the Public Shareholders of the Company in accordance with the SEBI Delisting Regulations in order to voluntarily delist the Company's Shares from BSE Limited (the "Delisting Proposal"). Accordingly, the Acquirer (being the Promoter of the Company) proposed to

acquire all the Shares of the Company held by the Company's public shareholders in accordance with the Delisting Regulations and to voluntarily delist the Shares of the Company from BSE Limited in accordance with the Delisting Regulations. The Floor Price, determined in accordance with Regulation 15(2)(a) of the SEBI Delisting Regulations, was Rs. 19.39 per Equity Share.

The Delisting Resolution was required to be passed as a 'Special Resolution' through a postal ballot and e-voting in accordance with the provisions of Sections 108 and 110 of the Companies Act, Clause 35B of the equity listing agreement entered into by the Company with the stock exchanges and the Postal Ballot Rules. According to Regulation 8(1)(b) of the SEBI Delisting Regulations, the Delisting Resolution may be acted upon only if the votes cast by the Public Shareholders in favour of the Delisting Resolution are at least two times the number of votes cast by the Public Shareholders against the Delisting Resolution.

After receiving the proposal of such delisting of the Company, the Board at its meeting held on 13th November, 2014, has agreed to recommend the Delisting Resolution to Shareholders for approving the Delisting Proposal.

The electronic voting period for passing the aforesaid resolution began on 22nd December, 2014 at 9:00 am (IST) and ended on 21st January, 2015 at 5:00 pm (IST). During this period votes were cast by many of the eligible shareholders holding shares as on the cut-off date (record date) of 28th November, 2014.

However the said resolution could not be acted upon as the votes cast by public shareholders in favour of the proposal did not amount to at least two times the number of votes cast by public shareholders against the Delisting Resolution.

The detailed notice of postal ballot, detailed scrutinizer's report and declaration of postal ballot and e-voting results for delisting of equity shares of the Company is available on the website of the Company i.e. www.insilcoindia.com at the following path:

www.insilcoindia.com → Investors → Notices

31. OPERATIONS AT PLANT

The Plant operations had to be shut down a few times during the year due to lower sales orders.

32. VALUE CREATION FOR CUSTOMERS

As a Company, we are committed to provide our internal and external customers products and services that always unequivocally meet the agreed quality standards. This is our declared goal and the measure of our actions.

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

33. SOCIAL RESPONSIBILITY

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

34. WE BELIEVE IN QUALITY AS A SUCCESS FACTOR

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

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

35. PROCUREMENT EFFICIENCY AND SUPPLY CHAIN

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

36. CUSTOMER ORIENTATION STARTS WITH TALENT DEVELOPMENT AND FAIRNESS

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

37. CERTIFICATIONS AND RECOGNITIONS

To maintain our commitment to quality and continuous improvement, our quality certifications of ISO 9001: 2008, ISO 14001: 2004 and HACCP are being periodically re-approved through regular audits by the accredited certification agencies. We are also 'Halal' certified Company.

38. REPORT ON CORPORATE GOVERNANCE

Pursuant to provisions contained in the Clause 49 of the Listing Agreement with the Stock Exchanges, 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 of conditions of Corporate Governance as per clause 49 (XI) of the Listing Agreement is enclosed as **Annexure-IV** to this Directors' Report.
- ii. Certificate by Managing Director regarding compliance of Code of Conduct by the members of Board and Senior Management as per clause 49(II)(E) of the Listing Agreement is enclosed as **Annexure-V** to this Directors' Report.
- iii. Certificate from Managing Director and Chief Financial Officer regarding the financial statements presented to the Board as per Clause 49(IX) of the Listing Agreement is enclosed as **Annexure-VI** to this Directors' Report.

39. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to provisions contained in the Clause 49(VIII)(D) of the Listing Agreement with the Stock Exchanges, a Management Discussions and Analysis Report is enclosed as **Annexure-VII** forming part of Annual Report.

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

None

41. INDUSTRIAL RELATIONS

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

42. FORWARD-LOOKING STATEMENT

This Report including its annexure 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.

43. 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/-

Frank Heinz Lelek
Managing Director
DIN : 05140529

Place : Noida
Date : 21st May 2015

Sd/-

Brijesh Arora
Joint Managing Director
DIN : 00952523

Annexure - I

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 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.

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. This policy shall be operational with immediate effect.

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 provided under clause 49 of the Listing Agreement and/or under the Companies Act, 2013, ‘Independent director’ shall mean a non-executive director, other than a nominee director of the company:
 - a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
 - b. (i) who is or was not a promoter of the company or its holding, subsidiary or associate company;
 - (ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
 - c. apart from receiving director’s remuneration, has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
 - d. none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
 - e. who, neither himself nor any of his relatives —
 - i. holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
 - ii. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
 - iii. a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
 - iv. any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;
 - v. holds together with his relatives two per cent or more of the total voting power of the company; or
 - vi. is a Chief Executive or director, by whatever name called, of any non-profit organisation that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent or more of the total voting power of the company;
 - vii. is a material supplier, service provider or customer or a lessor or lessee of the company;
 - f. who is not less than 21 years of age.
 - “**Key Managerial Personnel**”:- Key Managerial Personnel (KMP) means-
 - (i) the Chief Executive Officer or the managing director or the manager;
 - (ii) the Company Secretary;
 - (iii) the Whole-Time Director;
 - (iv) the Chief Financial Officer; and
 - (v) such other officer as may be prescribed under the applicable statutory provisions / regulations
 - “**Senior Management**”:- The expression “senior management” means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

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. At present, the Nomination and Remuneration Committee comprises of following Directors:

- i. Mr. Guido Johannes Christ, Chairman (Independent Director)
- ii. Mr. Dara Phirozeshaw Mehta, Member (Independent Director)
- iii. Dr. Mustafa Siray, Member
- iv. Ms. Meng Tang, Member

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, Listing Agreement 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 Agreement 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 clause 49 of the Listing Agreement (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 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 least one Board member who has accounting or related financial management expertise and at least three members who are financially literate.

Remuneration:

The Committee will recommend the remuneration to be paid to the Managing Director, Whole-time Director, KMP and Senior Management Personnel to the Board for their approval.

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. Provided that the amount of such fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force.

3. KMPs / Senior Management Personnel etc

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. 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.

Annexure - II

Form No. MR-3

SECRETARIAL AUDIT REPORTFor The Financial Year Ended 31st March, 2015

[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]

SECRETARIAL AUDIT REPORTFor The Financial Year Ended 31st March, 2015

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 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 covering the financial year ended on 31st March, 2015 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:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Insilco Limited** for the financial year ended on 31st March, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under 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'):-
 - (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, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Delisting of Securities) regulations, 2009.
2. We have relied on representation made by the Company and its officer for system and mechanism formed by the company for compliances under other applicable Acts, Laws and Regulations of the Company, namely as follows:
- a) The Water (prevention and control of pollution) Act, 1974.
 - b) The Air (prevention and control of pollution) Act, 1981.
 - c) The Environment (protection) Act 1986.
 - d) Act as prescribed under Direct & Indirect Tax.
 - e) The Factories Act, 1948.
 - f) Labour laws.

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) The Listing Agreements entered into by the Company with Bombay Stock Exchange.

We further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive 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.
2. 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.
3. Majority decision is carried through while the dissenting members' views 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 the company has no instances 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.

However during the audit period the company has sought shareholders approval for delisting. The same was not approved by the shareholders.

**For Nityanand Singh & Co.,
Company Secretaries**

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

Place : New Delhi
Date : 21st May, 2015

ANNEXURE – III

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 arms 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 arrangements 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 (ACM), if any	Amount paid as advances, if any
1	Evonik India Private Limited (subsidiary of Holding Company)	Availing marketing and sales promotions services	3 years (w.e.f. 1 st July, 2014 to 30 th June, 2017)	<ul style="list-style-type: none"> - 2.75% of commission on net sales till 30th June, 2014. - 2% of commission on net sales from 1st July, 2014 to 31st March, 2015 subject to maximum of Rs. 13,950,000. - 2% of commission on net sales from 1st April, 2015 to 31st March, 2016 subject to maximum of Rs. 18,600,000. - 2% of commission on net sales from 1st April, 2016 to 31st March, 2017 subject to maximum of Rs. 18,600,000. - 2% of commission on net sales from 1st April, 2017 to 30th June, 2017 subject to maximum of Rs. 4,650,000. 	Board Approval: N.A. ACM – 29 th April, 2014	Nil
2	Industriepark Wolfgang GmbH (Group Company of Ultimate Holding Company)	Obtaining license of a software "Thinkcell"	Ongoing	128 Euros per annum per license is payable (subject to maximum of 2 license)	Board Approval: N.A. ACM – 29 th April, 2014	Nil
3	<ol style="list-style-type: none"> 1. Evonik Industries AG – Ultimate Holding Company 2. Evonik Services GmbH 3. Evonik Degussa GmbH – Holding Company 4. Industriepark Wolfgang GmbH 5. Evonik International GmbH 6. Evonik India Private Limited 7. Evonik SEA Pte. Ltd. (Ultimate Holding Company and its Group Companies) 	Arrangement for reimbursement of expenses by Company to these related parties or vice-versa	Ongoing	Reimbursement of expenses on actual basis	Board Approval: N.A. ACM – 29 th April, 2014	Nil

4	Group Companies of Evonik	Arrangement of payment of sales commission	Ongoing	Payment of sales commission to Evonik Group Companies (Related parties) maximum upto 3% of the Contract value (value of Sales Order) for providing export sales order to the Company	Board Approval: N.A. ACM – 29 th April, 2014	Nil
5	Evonik Degussa GmbH (Holding Company)	Payment of Royalty	The said agreement shall remain in force as long as royalty payments are due as per the agreement. The payment for royalty of each product will cease after expiry of 10 years from the date of commencement of commercial production of the respective product	Royalty to be 4% of net sales value	Board Approval: N.A. ACM – 14 th August, 2014	Nil
6	Evonik Degussa Iran AG (Subsidiary of Holding Company)	Payment of Commission on Sales	Ongoing	2.5% Commission to be paid on C.I.F. value	Board Approval: N.A. ACM – 14 th August, 2014	Nil

For and on behalf of Board of Insilco Limited

Sd/-
Frank Heinz Lelek
Managing Director
DIN : 05140529

Sd/-
Brijesh Arora
Joint Managing Director
DIN : 00952523

Annexure – IV

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2014-2015

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

Corporate Governance is about commitment to values and about ethical business conduct. It is about how an organization is managed. This includes its corporate and other structure, its culture, policies and the manner 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.

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 under Clause 49 of the Listing Agreement with the Bombay Stock Exchange. The Company has professionals on its Board of Directors.

2. BOARD OF DIRECTORS

2.1 Composition of Board

The Board of Insilco Limited consists of an optimum combination of Executive and Non-Executive Directors to ensure independent functioning of the Board. As on 31st March, 2015, the Board has 6 Members comprising 2 Executive and 4 Non-Executive Directors. Out of Non-Executive Directors, 2 are Independent Directors. The Chairman of the Board is an Independent Director. The Composition of the Board is in conformity with clause

49 of the Listing Agreement relating to the composition in terms of Non-Executive/Independent Directors. Changes during the financial year 2014-15 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 Committees or Chairman of more than 5 committees as specified in Clause 49, across all the companies in which he is a Director. The Directors have made necessary disclosures regarding committee positions in other companies as at 31st March, 2015.

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, 2015 are given below:

Name of the Director	Category	Designation	No. of Directorships, Committee Chairmanships/ Memberships in other Companies		
			Other Directorships ¹	Committee Chairmanship ²	Committee Memberships ²
Mr. Dara Phirozeshaw Mehta	Non-Executive, Independent	Chairman	9	1	Nil
Mr. Frank Heinz Lelek ³	Executive	Managing Director	1	Nil	Nil
Mr. Brijesh Arora ⁴	Executive	Whole-time Director	Nil	Nil	Nil
Dr. Mustafa Siray	Non-Executive, Non-Independent	Director	Nil	Nil	Nil
Mr. Guido Johannes Christ ⁵	Non-Executive, Independent	Director	1	Nil	2
Ms. Meng Tang ⁶	Non-Executive, Non-Independent	Director	Nil	Nil	Nil

2.3 BOARD MEETINGS AND PROCEDURE

A. BOARD PROCEDURE

The tentative annual calendar of meetings is determined at the beginning of each calendar year. The Board meetings are governed by a structured agenda and agenda papers are supported by comprehensive background information to enable directors to take informed decisions. The Joint 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 Annexure-X to the Listing Agreement is made available to the Board of Directors for discussions and consideration at Board Meetings. In addition to the information required under Annexure-X to the Listing Agreement, the Board is also kept informed of major events/items wherever necessary. The Managing Director and Joint 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. The final minutes of proceedings of meetings are entered in Minutes Book and signed by the Chairman of the Board within the prescribed timelines.

¹ This includes Public and Private Companies.

² In accordance with Clause 49, Chairmanships/Memberships of only Audit Committee and Stakeholders' Relationship Committees of all Public Limited Companies have been considered.

³ Mr. Frank Heinz Lelek was appointed as Managing Director w.e.f. 1st March, 2015.

⁴ Mr. Brijesh Arora was appointed as an Additional Director & Whole-time Director (designated as Joint Managing Director) w.e.f. 1st March, 2015.

⁵ Mr. Guido Johannes Christ was appointed as an Independent Director w.e.f. 29th April, 2014.

⁶ Ms. Meng tang was appointed as an Additional Director w.e.f. 13th November, 2014.

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

B. DETAILS OF BOARD MEETINGS HELD DURING THE FINANCIAL YEAR 2014-15

Four Board Meetings were held during the Financial Year ended 31st March, 2015. The Board meets at least four times a year, with maximum time gap of one year and twenty days between any two meetings as prescribed under Clause 49 of the listing agreement.

The details of the Board meetings held during the Financial Year 2014-2015 are as under:

S. No.	Date	Board Strength	No. of Directors Present
1	29 th April, 2014	6	4
2	14 th August, 2014	6	5
3	13 th November, 2014	5	4
4	12 th February, 2015	6	5

C. ATTENDANCE OF DIRECTORS AT BOARD MEETINGS HELD DURING THE FINANCIAL YEAR 2014- 2015 AND AT THE 26TH ANNUAL GENERAL MEETING (AGM)

Name of the Director	Attendance		Whether Attended last AGM held on 14 th August, 2014
	No. of Meetings held during the tenure	Meetings Attended	
Mr. Dara Phirozeshaw Mehta	4	4	Yes
Mr. Pankaj Khandelwal	4	4	Yes
Mr. Roberto Martin Vila Keller ⁷	2	Nil	No
Dr. Mustafa Siray	4	2	Yes
Mr. Frank Heinz Lelek	4	4	Yes
Mr. Guido Johannes Christ	4	4	Yes
Ms. Meng Tang	1	Nil	N.A.

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, 2015.

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

E. PREVENTION OF INSIDER TRADING CODE

In accordance with SEBI (Prevention of Insider Trading) Regulation, 1992, the Company has a Code of Conduct for Prevention of Insider Trading. All the Directors, employees at Senior Management and other employees who could have access to the unpublished price sensitive information of the Company are governed by this code. The Company has appointed Mr. Brijesh Arora, Joint Managing Director of the Company as Compliance officer under the said regulations.

3. COMMITTEES OF THE BOARD

There are seven Committees of the Board during the Financial Year 2014-15 namely:

1. The Audit Committee
2. The Nomination and Remuneration Committee
3. The Stakeholders' Relationship Committee
4. The Risk Management Committee
5. Delisting Committee
6. Complaints Committee (under Sexual Harassment Policy)
7. Share Transfer Committee

⁷ Mr. Roberto Martin Vila Keller resigned from the Board w.e.f. close of working hours of 14th August, 2014.

The terms of reference of the Committees are reviewed by the Board from time to time. Meetings of each Board Committee are convened by respective Committee Chairman. Matters requiring Board's attention/approval are placed before the Board after approval/recommendation from Committee. The minutes of the meetings of all Committees of the Board are placed before the Board for discussions/noting. The role and composition of these Committees alongwith terms of reference of these Committees and details of the Committee meetings held during the Financial Year 2014-2015 and related attendance are provided below:

3.1 AUDIT COMMITTEE

The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing Agreement read with Section 177 of the Companies Act, 2013. 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 Clause 49 of the Listing Agreement.

A. Terms of reference

The terms of reference of the Audit Committee covers all matters specified under Clause 49 of the listing agreement read with 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.
 - Qualifications 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 utilisation 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 Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain areas of concern including observations of auditors.

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, 2015, the Audit Committee has 3 Members comprising of 2 Non-Executive, Independent Directors and 1 Executive 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 Clause 49 of the Listing Agreement.

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

The composition of the Audit Committee is given below:

Name of Members	Category	Designation
Mr. Dara Phirozeshaw Mehta	Non-Executive, Independent	Chairman
Mr. Guido Johannes Christ	Non-Executive, Independent	Member
Mr. Frank Heinz Lelek	Executive	Member

The Committee is headed by an Independent Director. The Chairman of the Audit Committee, Mr. Dara P. Mehta was present at the 26th Annual General Meeting of the Company held on 14th August, 2014 to answer the queries of shareholders. The Joint Managing Director, Company Secretary and Chief Financial Officer are permanent invitees to the Audit Committee Meetings. The representatives of the Statutory Auditors are invited to attend the Audit Committee Meeting. The representatives of Internal Auditors are invited to attend the Audit Committee Meeting as and when required. The Company Secretary of the Company acts as Secretary to the Committee.

C. Meetings and Attendance

The tentative annual calendar of committee meetings is determined at the beginning of each calendar year.

Details of Audit Committee Meetings held during the Financial Year 2014-2015

Four Audit Committee Meetings were held during the Financial Year ended 31st March, 2015. The dates on which meetings were held are as follows:

S. No.	Date	Committee Strength	No. of Members Present
1	29 th April, 2014	3	3
2	14 th August, 2014	3	3
3	13 th November, 2014	3	3
4	12 th February, 2015	3	3

The intervening period between two audit committee meetings was well within the maximum gap of four months prescribed under Clause 49 of the Listing Agreement.

Attendance at Audit Committee Meetings held during the Financial Year 2014-15:

Name of Members	Attendance	
	No. of Meetings held during the tenure	Meetings Attended
Mr. Dara P. Mehta, Chairman	4	4
Mr. Guido Johannes Christ	4	4
Mr. Frank Heinz Lelek	4	4

3.2 NOMINATION AND REMUNERATION COMMITTEE

A. Terms of Reference

- 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.
- 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.
- It shall, while formulating the remuneration policy ensure that –
 - 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;
 - Relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
 - 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 clause 49 of the Listing Agreement.

B. Composition

As on 31st March, 2015, the Nomination and Remuneration Committee comprised of 4 Non-Executive Directors, out of which 2 are Independent Directors. The Chairman of the Nomination and Remuneration Committee is an Independent Director. The Composition of Nomination and Remuneration Committee meets the requirements of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement.

The composition of the Nomination and Remuneration Committee is given below:

Name of Members ⁸	Category	Designation
Mr. Guido Johannes Christ	Non-Executive, Independent	Chairperson
Mr. Dara P. Mehta	Non-Executive, Independent	Member
Dr. Mustafa Siray	Non-Executive, Non-Independent	Member
Ms. Meng Tang	Non-Executive, Non-Independent	Member

C. Meetings and Attendance

Details of Nomination and Remuneration Committee Meetings held during the Financial Year 2014-2015

Four Nomination and Remuneration Committee Meetings were held during the Financial Year ended 31st March, 2015. The dates on which meetings were held are as follows:

S. No.	Date	Committee Strength	No. of Members Present
1	29 th April, 2014*	4	3
2	14 th August, 2014	4	4
3	13 th November, 2014	4	3
4	12 th February, 2015	4	4

* "Committee strength" and "No. of members present" include Mr. Guido Johannes Christ who was appointed on 29th April, 2014.

⁸. Mr. Frank Heinz Lelek ceased to be member of this Committee w.e.f. 1st March, 2015.

Attendance at Nomination and Remuneration Committee Meeting held during the Financial Year 2014-2015:

Name of Members	Attendance	
	No. of Meetings held during the tenure	Meetings attended
Mr. Guido Johannes Christ	4	4
Mr. Dara P. Mehta	4	4
Dr. Mustafa Siray	4	2
Mr. Frank Heinz Lelek	4	4

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

D. Nomination and Remuneration Policy

A Nomination and Remuneration Policy of the Company has been approved by Nomination and Remuneration Committee and the Board of Directors of the Company. The said policy lays down the criteria for Directors/ Key Managerial Personnel's appointment and remuneration including criteria for determining qualification, positive attributes, independence of Directors, criteria for performance evaluation of Executive and Non-Executive Directors (including Independent Directors) and other matters as prescribed under the provisions of the Companies Act, 2013 and the Listing Agreement. Remuneration to Executive Directors are being recommended and paid as per policy as and when required. The said policy of the Company is attached as **Annexure-I** to the Boards' report.

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. The remuneration of executive Directors of the Company is being paid as approved by the Board of Directors and Shareholders of the Company.

a. Executive Directors**(i) Details of the remuneration paid/payable to Executive Directors for the Financial Year 2014 -2015**

Name of Director	Designation	Salaries (Rs.)	Benefits (Rs.)	Performance linked Incentive/ Bonus** (Rs.)	Retirement Benefits (Rs.)***	Total (Rs.)
Mr. Pankaj Khandelwal	Managing Director	1,897,500	1,479,500	-	1,049,729	4,426,729
Mr. Brijesh Arora*	Whole Time Director/ Joint Managing Director	175,000	169,525	109,375	47,250	501,150
Total		2,072,500	1,649,025	109,375	1,096,979	4,927,879

Note:

* Mr. Brijesh Arora was appointed as Whole-time Director designated as Joint Managing Director of the Company w.e.f. 1st March, 2015.

** The estimated payable performance linked incentive/bonus for Mr. Brijesh Arora (Joint Managing Director) as on 31st March, 2015 is Rs. 109,375. This amount includes Rs. 72,917 as bonus payable to Mr. Brijesh Arora for the month of Jan-Feb 2015 when he was Chief Financial Officer of the Company. The Performance bonus is based on the following criteria determined by the Board:

- (i) Safety
- (ii) Productivity
- (iii) Management of fixed costs

*** 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.

(i) The term of Mr. Pankaj Khandelwal as Managing Director was for three years starting from 1st March, 2012 to 28th February, 2015. On completion of his term, Mr. Khandelwal opted for his retirement and has resigned from the Board from close of business hours of 28th February, 2015. The Contract of Appointment of Mr. Pankaj Khandelwal was consisting terms of notice period and severance fee. The

contract could be terminated by either party by giving to the other party, without assigning any reasons whatsoever, six months notice in writing of its intention to do so or equivalent amount of basic salary in lieu thereof.

- (ii) The term of Mr. Brijesh Arora as Joint Managing Director is for 3 years effective 1st March, 2015 to 28th February, 2018. The Contract of appointment of Mr. Brijesh Arora 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.

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) encashment of unavailed leave or any other benefit as per the rules of the Company.

b. Non-Executive Directors

The Company does not have any pecuniary relationship with any of its Non-Executive Directors. The Non-Executive Directors do not hold any shares or convertible instruments in the Company as on 31st March, 2015.

The Non-Executive 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. 20,000 per meeting for attending meeting of Board, Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Risk Management Committee and Delisting Committee which is within the limits prescribed under the Companies Act, 2013.

The Details of Sitting Fees paid to Non - Executive Independent Directors during the Financial Year 2014-2015 are as under:

Name of Directors	Sitting Fees (Rs.)						Total
	Board Meeting	Audit Committee Meeting	Stakeholders' Relationship Committee Meeting	Nomination and Remuneration Committee Meeting	Risk Management Committee Meeting	Delisting Committee Meeting	
Mr. Dara P. Mehta	80,000	80,000	80,000	80,000	20,000	40,000	380,000
Mr. Guido J. Christ	80,000	80,000	N.A.	60,000	20,000	N.A.	240,000

Employee Stock Option Scheme

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

3.3 STAKEHOLDERS' RELATIONSHIP COMMITTEE

A. Terms of Reference

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

B. Composition

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

As on 31st March, 2015, the composition of the Stakeholders' Relationship Committee was as follows:

Name	Category	Designation
Mr. Dara P. Mehta	Non-Executive, Independent	Chairman
Mr. Frank Heinz Lelek	Executive	Member
Mr. Brijesh Arora ⁹	Executive	Member

⁹. Mr. Brijesh Arora was appointed as member of this Committee in the Board Meeting held on 12th February, 2015. This was consequent to retirement of Mr. Pankaj Khandelwal – Ex-Managing Director from the Board and Stakeholders' Relationship Committee w.e.f. close of business hours of 28th February, 2015.

C. Meetings and Attendance**Details of Meetings held during the Financial Year 2014-2015**

Four Stakeholders' Relationship Committee Meetings were held during the Financial Year ended 31st March, 2015. The dates on which meetings were held are as follows:

S. No.	Date	Committee Strength	No. of Members Present
1	29 th April, 2014	3	3
2	14 th August, 2014	3	3
3	13 th November, 2014	3	3
4	12 th February, 2015	3	3

D. Attendance at Stakeholders' Relationship Committee Meetings held during the Financial Year 2014-2015

Name of Members	Attendance	
	No. of Meetings Held during the tenure	Meetings Attended
Mr. Dara P. Mehta	4	4
Mr. Frank Heinz Lelek	4	4
Mr. Pankaj Khandelwal	4	4

E. Name and Designation of Compliance Officer

Mrs. Sheetal Saluja was Compliance Officer of the Company till 19th February, 2015. However Mrs. Saluja resigned w.e.f. close of working hours of 19th February, 2015. The Nomination and Remuneration Committee and the Board have appointed Mr. Sarvesh Kumar Upadhyay w.e.f. 21st May, 2015 as Company Secretary and Compliance Officer of the Company.

The Contact details of Compliance Officer are as follows:

Address	Telephone Number	Fax Number
"The Corenthum" Office # 2312, 3 rd Floor, 2 nd 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 2014-2015 is as follows:

Opening	Received during the year	Resolved during the year	Closing
0	65	65	0

3.4 RISK MANAGEMENT COMMITTEE

The Board has constituted a Risk Management Committee for identification and assessment of risks and minimization of risks by adopting various measures. The Committee comprises of all the Board Members of the Company. The framework for risk assessment and minimization thereto has been evaluated and Company takes adequate measures for mitigating such assessed risk. The Board has also constituted sub-committee of Risk Management Committee. This sub-committee of Risk Management Committee works and reports to Risk Management Committee under the guidance of Risk Management Committee. The sub-committee constitutes Managing Director and other senior management personnel. One meeting was held during the Financial Year 2014-15 on 12th February, 2015.

As on 31st March, 2015, the composition of the Risk Management Committee was as follows:

Name of members ¹⁰	Category	Designation
Mr. Frank Heinz Lelek	Executive	Chairman
Mr. Guido Johannes Christ	Non-Executive, Independent	Member
Mr. Dara P. Mehta	Non-Executive, Independent	Member
Dr. Mustafa Siray	Non-Executive, Non-independent	Member
Mr. Brijesh Arora	Executive	Member
Ms. Meng Tang	Non-Executive, Non-independent	Member

¹⁰ Mr. Pankaj Khandelwal ceased to be member of this Committee w.e.f. 1st March, 2015.

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

3.5 DELISTING COMMITTEE

During the year, the Company went to the Shareholders of the Company for delisting its equity shares from the Bombay Stock Exchange. More information in this regard can be found in the Boards' Report attached to this Annual Report at heading "Delisting of Equity Shares of the Company".

In view of the same, a Delisting Committee was also formed to look after the activity of the Delisting of the Company. The same was constituted with the following members:

Name of Members	Designation
Mr. Pankaj Khandelwal	Chairman
Mr. Dara P. Mehta	Member
Mr. Frank Heinz Lelek	Member
Mr. Brijesh Arora	Member

This Committee met two times i.e. on 11th December, 2014 and 22nd January, 2015. All the members were present in those meetings.

3.6 COMPLAINTS COMMITTEE (UNDER SEXUAL HARASSMENT POLICY)

Pursuant to the Company's Sexual Harassment Policy a Complaints Committee has also been formed. As on 31st March, 2015, the said Committee was consisting of the following members:

Name of Members	Designation
Mrs. Shivangi Negi	Chairman
Mr. Frank Heinz Lelek	Member
Mr. Brijesh Arora	Member
Mrs. Poonam Jhingan	Member

As no complaints were received during the year under said policy, the Complaint Committee did not meet.

3.7 SHARE TRANSFER COMMITTEE

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

As on 31st March, 2015, the committee was consisting the following members:

Name of Members	Designation
Mr. Brijesh Arora	Chairman
Mr. Frank Heinz Lelek	Member
Mrs. Shivangi Negi	Member

The Committee met 26 times during the year.

Pursuant to Clause 47(c) of the listing agreement, certificate on half yearly basis confirming due compliance of Share Transfer formalities by RTA and timely dematerialisation of shares as per SEBI (Depositories and Participants) Regulations, 1996 is obtained from a Practicing Company Secretary within one month of the end of each half of the Financial Year and the same is sent to stock exchange within prescribed time.

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

4. SUBSIDIARY

The Company does not have any subsidiary.

5. GENERAL BODY MEETINGS

Location, date and time of the 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
26 th AGM	Thursday, 14 th August, 2014	10 : 30 hrs	A-5, UPSIDC Industrial Estate, Bhartiagram, Gajraula-244223, Uttar Pradesh	To enter into Marketing and Sales Promotion Agreement between the Company and the Related Party – Evonik India Pvt. Ltd.
25 th AGM	Tuesday, 13 th August, 2013	10 : 30 hrs	A-5, UPSIDC Industrial Estate, Bhartiagram, Gajraula-244223, Uttar Pradesh	Revision in remuneration of Mr. Pankaj Khandelwal, Managing Director of the Company from existing Rs. 4,500,000/- per annum to Rs. 5,200,000/- per annum with effect from 1 st April, 2013.
24 th AGM	Thursday, 9 th August, 2012	10 : 30 hrs	A-5, UPSIDC Industrial Estate, Bhartiagram, Gajraula-244223, Uttar Pradesh	Appointment of Mr. Pankaj Khandelwal as Managing Director with effect from 1 st March, 2012.

5.1 Postal Ballot

During the Financial Year 2014-15, a special resolution for delisting of Equity Shares of the Company from Bombay Stock Exchange was passed by the Shareholders of the Company through postal ballot.

However, the said resolution cannot be acted upon as the votes cast by public shareholders in favour of the resolution does not aggregate to two times of the votes cast by public shareholders against the said resolution. Hence, the delisting of equity shares cannot be done.

Voting pattern

The voting pattern of the above postal ballot resolution was as follows:

S. No.	Particulars	No. of Shareholders who cast valid votes	Total No. of Shares
1	Total number of votes cast in favour of the resolution	152	47,299,727
2	Total number of votes cast against the resolution	108	1,192,325

Results of votes cast by public shareholders through Postal Ballot forms and E-voting process for delisting purposes:-

S. No.	Particulars	No. of Shareholders who cast valid votes	Total No. of Shares
1	Total number of votes cast in favour of the resolution	150	1,464,412
2	Total number of votes cast against the resolution	108	1,192,325

Since the votes cast in favour of delisting resolution was less than two times of the votes cast by public shareholders against the delisting resolution, hence the delisting resolution could not be acted upon by the Company. The above report is also available on the website of the Company at www.insilcoindia.com.

Person who conducted the postal ballot exercise

The Delisting Committee had appointed the following person as Scrutinizer and to conduct the postal ballot exercise: -

Name : Mr. Nityanand Singh & Co., Practicing Company Secretaries
Address : 14, Second Floor, Safdarjung Enclave, New Delhi – 110029
Tel. No. : 011-26713700
Telefax : 011-26714700
E-mail : officenns@gmail.com, info@nnsandco.com
Website : www.nnsandco.com

Proposed Postal ballot and its procedure

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, 2016, as per the prescribed procedure under Companies Act, 2013 & the Listing Agreement.

6. DISCLOSURES**6.1 Disclosures on material significant related party transactions**

The required disclosures with respect to the related party transactions were duly made to Audit Committee on a quarterly basis in terms of Clause 49 of the Listing Agreement and other applicable laws.

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 Accounting Standard 18, the related party transactions during the Financial Year 2014-15 have been disclosed in Form AOC 2 attached as **Annexure-III** and note 29 of Notes to Accounts to Financial Statements respectively.

6.2 Details of Non-Compliance by the Company, penalties and strictures imposed on the Company by the Stock Exchange or SEBI or any statutory authorities on any matter related to capital markets during last three years:

None

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

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 Audit Committee on any issue.

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

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

6.5 Disclosure of Accounting Treatment

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

6.6 Details of Public Funding

We have not obtained any public funding during the Financial Year ended 31st March, 2015.

6.7 Inter-se Relationship between directors of the Company

None

7. MANAGEMENT

Management discussion and analysis of results of operations and financial condition is included in the Annual Report for the Financial Year 2014-2015 and this report contains all the applicable information specified under Clause 49 of the Listing Agreement. The disclosures have been made by all Senior Management Personnel for the Financial Year 2014-2015 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.

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 27th 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 Clause 49(IX) of the Listing Agreement duly signed by Managing Director and CFO has been given to Board and attached as Annexure-VI to this report. As required by clause 49 of the Listing Agreement, the certificate signed by Managing Director and CFO was placed before the board of directors at its meeting held on 21st May, 2015.

The Company submits a quarterly compliance report on corporate governance signed by Compliance officer to the Stock Exchange within 15 Days from the close of every quarter. Such quarterly compliance reports on corporate governance are also posted on the Company's website.

The Practicing Company Secretary's certificate, as stipulated in Clause 49 of the Listing Agreement with Stock Exchange that Company has complied with conditions of corporate governance is annexed herewith. This certificate will be forwarded to the Stock Exchanges alongwith the Annual Report of the Company.

10. MEANS OF COMMUNICATION

Quarterly Results: The quarterly results of the Company are announced within 45 days of completion of each quarter. Audited Annual Results are announced within 60 days from the end of the financial year. The Company regularly intimates unaudited as well as audited financial results to the stock exchanges, immediately after these are approved by the Board. The quarterly and annual financial results are normally published in "Financial Express/ Mint Newspaper - All India Edition" (English Language) and "Jansatta/ Rashtriya Sahara" (Vernacular Language).

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

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

The Company also ensures that the details of its business, financial information, shareholding pattern, compliance with corporate governance, contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances, details of agreements entered into with media companies and/or their associates are promptly and prominently displayed on its website www.insilcoindia.com.

The official news releases and presentation made to institutional investors/analysts, if any, whenever made by the Company, are also displayed on the Company's website www.insilcoindia.com.

11. GENERAL SHAREHOLDERS INFORMATION**11.1 Particulars of ensuing Annual General Meeting**

Date	12 th August, 2015
Time	10.30 A.M.
Day	Wednesday
Venue	A-5, UPSIDC Industrial Estate, Bhartiagram, Gajraula-244223, Uttar Pradesh.
Financial Year	The Company follows the period of 1 st April to 31 st March, as the Financial Year.
Book Closure dates	3 rd August, 2015 to 12 th August, 2015.
Dividend Payment Dates	No dividend has been recommended for the Financial Year 2014-15.

11.2 Financial Year Calendar 2015-2016 (Tentative)

Financial Year 2015-16	
1 st Quarter Results for quarter ending 30 th June, 2015	12 th August, 2015
2 nd Quarter Results for quarter ending 30 th September, 2015	October / November 2015
3 rd Quarter Results for quarter ending 31 st December, 2015	January / February 2016
4 th Quarter Results for quarter/Annual Accounts for the period ending 31 st March, 2016	April / May 2016
28 th Annual General Meeting	July /August 2016

11.3 Listing on Stock Exchange (With Stock Code)

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

11.4 Listing Fee

Annual listing fee for the year 2015-2016 has been paid to Bombay Stock Exchange.

11.5 ISIN No. in NSDL & CDSL

INE901A01011

11.6 Stock Market Data

The Monthly High/Low stock prices of Company Equity Shares at Bombay Stock Exchange and BSE Sensex during Financial Year 2014-2015 are given below:

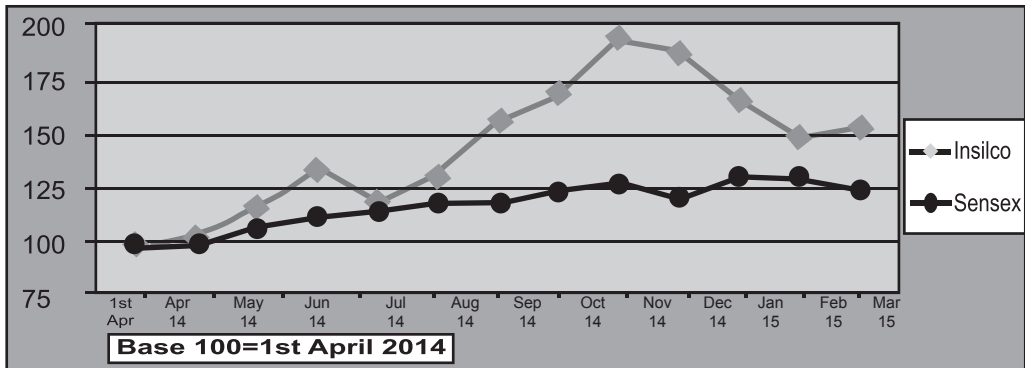
Month	Bombay Stock Exchange			
	Insilco Share Price		BSE Sensex	
	High (Rs.)	Low (Rs.)	High	Low
April 2014	13.25	11.40	22,939.31	22,197.51
May 2014	14.99	10.75	25,375.63	22,277.04
June 2014	16.35	12.70	25,725.12	24,270.20
July 2014	15.75	12.55	26,300.17	24,892.00
Aug 2014	16.19	12.90	26,674.38	25,232.82
Sep 2014	20.22	14.53	27,354.99	26,220.49
Oct 2014	20.30	17.25	27,894.32	25,910.77
Nov 2014	26.50	18.25	28,822.37	27,739.56
Dec 2014	25.10	20.30	28,809.64	26,469.42
Jan 2015	23.25	18.10	29,844.16	26,776.12
Feb 2015	19.40	15.90	29,560.32	28,044.49
Mar 2015	17.95	15.95	30,024.74	27,248.45

Source: www.bseindia.com

11.7 Stock Performance in comparison to BSE sensex

The performance of the Company's Closing Share price relative to the BSE Sensex for the year 2014-15 is given in the chart below:

INSILCO Closing Price vs BSE Sensex Closing April 2014 to March 2015



11.8 Registrar and Transfer Agent

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

Contact Details are :
 Phone Numbers : (011) 41406149-52
 Fax number : (011) 41709881
 Email Address : helpdeskdelhi@mcsregistrars.com

11.9 Share Transfer System

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

11.10 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 2015 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	0	0	45,853,315	73.11
Others	2,849,182	4.54	14,012,503	22.35	16,861,685	26.89
Total	48,702,497	76.65	14,012,503	22.35	62,715,000	100.00

11.11 As on 31st March, 2015, 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	5,143,010	8.20	38,303	91.39
501 to 1000	1,645,550	2.62	1,986	4.74
1001 to 2000	1,236,977	1.97	797	1.90
2001 to 3000	625,324	1.00	241	0.58
3001 to 4000	454,141	0.72	126	0.30
4001 to 5000	589,428	0.94	124	0.29
5001 to 10000	1,296,097	2.07	175	0.42
10001 to 50000	2,754,988	4.39	128	0.31
50001 to 100000	1,278,505	2.04	18	0.04
100001 and above	47,690,980	76.05	12	0.03
Total	62,715,000	100.00	41,910	100.00

11.12 Shareholding Pattern of the Company as on 31st March, 2015:

Category	No. of Shares	% to total
Promoters – Evonik Degussa GmbH (Formerly Degussa GmbH)	45,853,315	73.11
Residents (Individual)	13,924,680	22.20
Financial Institutions and Banks	23,680	0.04
Non-Resident Individuals/ OCBs	267,757	0.43
Indian Corporate Bodies/ Trusts	2,631,508	4.20
Mutual Funds/ Insurance Companies	14,060	0.02
Total	62,715,000	100.00

11.13 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.

11.14 Plant Location

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

- i. All correspondence regarding transfer and dematerialization of share certificates should be addressed to our Registrar and Share Transfer Agent, M/s. 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

Annexure - V**Declaration by Chief Executive Officer (CEO)**

I, Frank Heinz Lelek, Managing Director of Insilco Limited to best of my knowledge and belief hereby declare that all Board Members and Senior Management Personnel have affirmed compliance with the Company's Code of Conduct during the financial year ended 31st March, 2015.

Place: Noida
 Date : 21st May, 2015

Sd/-
Frank Heinz Lelek
 Managing Director

Annexure - VI

To,
 The Board of Director
 Insilco Limited

CHIEF EXECUTIVE OFFICER (CEO) & CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION FOR THE FINANCIAL YEAR 2014-15

We hereby certify to the Board that:

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

For Insilco Limited

Sd/-
Frank Heinz Lelek
 Managing Director

Sd/-
Brijesh Arora
 Joint Managing Director

Sd/-
Shivangi Negi
 Chief Financial Officer

Place: Noida
 Date : 21st May, 2015

**CERTIFICATE FROM PRACTISING COMPANY SECRETARY FOR
COMPLIANCE OF CORPORATE GOVERNANCE**

To
The Members
Insilco Limited

We have examined the compliance of conditions of corporate governance by Insilco Limited (hereinafter referred to "the Company"), for the year ended on 31st March, 2015, as stipulated in clause 49 of the Listing Agreement of the said Company with stock exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to review of the procedures and implementation thereof adopted by the Company for ensuring compliance with 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 and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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.

Date: May 21, 2015 Place: New Delhi	For Sanjay Grover & Associates Company Secretaries Sd/- Sanjay Grover C.P. No. 3850
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Annexure – VII

Management Discussion and Analysis Report

Overall Review

Production and sales during the year were 10,062 MT and 9,527 MT as against 11,207 MT and 11,128 MT respectively in the previous year. The sales turnover during the year is Rs. 632 Million as compared to Rs. 686 Million in the previous year. During the year the company had increased prices to pass on higher costs to the customers. As a result of this price increase, Company lost some of its key customers completely and also many customers reduced the volumes. This resulted into lower sales volume as compared to targeted volumes.

The Company's world class manufacturing plant at Gajraula based on technology from its parent Company Evonik Degussa GmbH, Germany gives it an edge over its competitors as it can offer high quality and innovative products to its 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 all necessary technical and marketing support to us 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, 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 raw material and energy intensive and any fluctuation in their prices has a significant impact on our performance, e.g. the

change in Government policy to remove subsidies on diesel has seriously impacted our profitability and has become an issue of concern. The cost of production of the Company became significantly higher due to high energy costs as compared to our peers. The future growth of the Company depends upon willingness of customers to pay higher premium for our quality products.

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

Risk 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.

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 Indian economy is improving and showing potential for growth. The market is showing positive signs since the formation of new government in India. The Company continues to enjoy a high standing with its customers because of its quality and value added services. Besides, it is actively exploring options to reduce the energy costs and pursuing all growth opportunities so as to improve the results. Several quality conscious customers have supported us till date and pay us a premium for our quality products. However, future growth of the Company will depend upon our ability to optimize our costs by making our products more competitive and increasing capacity utilization. There are inherent opportunities available for the Company in the target industries such as Tyres, Automotive Components, Mechanical rubber goods, Footwear, Agrochemicals and Food. The silica applications in all these industries are growing rapidly. 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.
- All transactions are authorized, recorded and reported properly.
- All accounting records are properly maintained and financial statements are reliable.
- All statutory requirements are duly complied.

The key elements of internal control system are as follows:

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

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

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 Company has constituted a Risk Management Committee to monitor and review the risk management activities of the Company on regular basis. The Committee comprises of the Board Members. There is also a sub-Committee of the Company to assist the Risk Management Committee and the same comprises various senior management personnel of the Company 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

There were 117 employees as on 31st March, 2015.

Most of our employees have continued their long term association with Insilco. During 2014-2015, 19 employees were conferred the 20 years Long Service Award. Of the total employees currently working with the Company, 71 have completed this milestone till date.

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

Our focus during the year was in building competencies of human resources by a policy of job re-definition and job

rotation. These organizational changes were implemented in line with the business situation and strategy. This has contributed to the growth and development of the employees and offered them the opportunity to develop new job skills and obtain wider exposures. This has also resulted in reduction in Head Count and better efficiency.

Insilco continued the high attention to the adherence by employees to our Code of Conduct.

We also initiated an evaluation of existing processes and policies and upgraded our HR Manual during the year wherever required.

During the year, we provided several internal and external trainings to the employees to update their knowledge and develop them for growth.

For employees' engagement, regular social and sporting activities are organized on the colony campus under the aegis of the Employees Social Club. These activities involve the families and are a good forum for overall development of community living.

Prohibition of Insider Trading

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

Environment, Health & Safety

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 and Quality Management Standard ISO 9001-2000. During the year, recertification audit of the Environment Management standard ISO-14001 and Quality Management Standard ISO 9001-2000 was successfully completed.

Environment, Health and Safety (EHS) is one of the primary values for your Company. Your Company focuses on pollution abatement, resource optimization and waste minimization, which leads to sustainable development. The Company has set up elaborate safety system to ensure a proper safe work environment. Emphasis is given on prevention of any accident. As a result of strict safety norms being followed, the Company has been able to maintain very good safety record. Your Company also gives priority and attention to the health of its employees and trains the employees to work as per prescribed procedures designed to meet all EHS requirements.

Insilco's EHS commitment is to become a "zero incidents site" in all activities and operations.

We endeavor to meet this target by:

- Strictly adhering to the defined procedures set for the organization.
- Committing to process safety in all operations.
- Reinforcing the belief that all incidents are preventable.

To achieve this, we involve all employees, contractors, suppliers and sub-contractors in EHS initiatives through brainstorming, inspection, detection and correction. We are pleased to report that year 2014-15 is a Zero man day's loss accident year. No accident has occurred in the Plant since 13th April, 2008.

Your Company is having state of art effluent treatment system as per Evonik International standards which is controlled /monitored through DCS /Electronic control system.

Discussion on financial performance with respect to operational performance

A. Financial Position

1. Share Capital

The Company has one class of shares - equity shares of par value Rs. 10 each. The authorized share capital of the Company is Rs. 657.15 Million (Mio.) divided into 65,715,000 equity shares of Rs. 10 each. The issued, subscribed and paid-up share capital stood at Rs. 627.15 Mio. as on year ended March 31, 2015.

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

2. Reserves and Surplus

The balance retained in the Profit & Loss Account as on March 31, 2015 is Rs. 268.20 Mio. as compared to Rs. 267.93 Mio. as on March 31, 2014. The book value per share at the end of the year is Rs. 14.28 as compared to Rs. 14.27 at the end of previous year.

3. Non Current Liabilities

(i) Deferred Tax Liabilities

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

(ii) Long Term Provisions

Long Term Provisions as at the year end are 1.20 Mio. as compared to Rs. 1.16 Mio. as on March 31, 2014. The provisions represent liabilities provided for Long Service Awards.

4. Current Liabilities

The Company owes an amount of Rs. 58.49 Mio. as compared to Rs. 49.80 Mio. as on March 31, 2014. This represents 8.98% of total expenditure for the year ended March 31, 2015 as compared to 6.79% of previous year. These liabilities include the following:

Particulars	As of March 31, 2015 Rs. in Mio.
Trade Payables	21.14
Other Current Liabilities:	
Advance from customer	12.53
Retention Money & Security Deposits	1.95
Other Liabilities	9.56
Short Term Provisions:	
Provision for Income Tax	6.93
Provision for Gratuity	1.04
Provision for Long Service Awards	0.38
Provision for Leave Encashment	4.17
Provision for Sick Leave	0.79

5. Non Current Assets:**(i) Fixed Assets**

Additions of Rs. 8.62 Mio. were made to Fixed Assets during the current year and this includes Rs. 8.36 Mio. towards Plant and Machinery, Rs. 0.12 Mio. towards Computers and Rs. 0.10 Mio. towards Office Equipments. The capital work-in-progress is of Rs. 0.93 Mio. this represents advances paid towards acquisition of fixed assets and the cost of assets not put to use. The Company retired/ transferred various assets with a gross value of Rs. 22.88 Mio. Pursuant to notification of Schedule II to the Companies Act, 2013 an amount of Rs. 13.98 Mio. has been adjusted against the accumulated profits in respect of those assets where useful life has already been exhausted and which have no residual life as at 1st April, 2014. Further the depreciation for the current year is lower by Rs. 5.21 Mio. due to change in accounting policy.

(ii) Long Term Loans and Advances

Long Term Loans and Advances amount to Rs 46.21 Mio. as of March 31, 2015 as compared to Rs. 41.99 Mio. as on March 31, 2014. Long term Loans and Advances include Rs. 6.68 Mio. towards security deposit, Rs. 38.66 Mio. towards advance income tax and Rs. 0.85 Mio. towards balance with government authorities.

6. Current Assets**(i) Current Investments**

Investments of Rs. 324.21 Mio. at the end of the year represents the investments in Mutual Funds as compared to Rs. 360.93 Mio. as on 31st March, 2014. All investments have been classified as current investments. Investments as on 31st March, 2015 represent investments in Mutual funds having exposure to Government securities which are considered as safest securities with low risk of default.

(ii) Inventories

Inventories amount to Rs. 130.37 Mio. as on March 31, 2015 as compared to Rs. 93.93 Mio. as on March 31, 2014. The inventory has been increased by Rs. 36.44 Mio. during the year. The level of inventory in relation to sales has increased by 5.77%.

(iii) Trade Receivables

Trade Receivables amount to Rs. 96.95 Mio. (net of provisions of Rs. 0.04 Mio.) as of March 31, 2015 as compared to Rs. 97.77 Mio. (net of provisions of Rs. 0.19 Mio.) as on March 31, 2014. 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 depending on the management's perception of risk. Trade Receivables are 15.35% of revenue for the year ended March 31, 2015 as compared to 14.26%

of revenue for the year ended March 31, 2014. This represents an average outstanding of 56 days of revenue for the year as compared to 52 days in the previous year.

(iv) Cash and Bank Balances

As at March 31, 2015, the Company had a cash and bank balance of Rs. 179.51 Mio. This represents 18.80% of total assets and 28.41% of the revenue of the current year. The cash & bank balances include deposits of Rs 169.06 Mio. for original maturity between 3 months to 12 months.

(v) Short Term Loans & Advances

Short Term Loans & Advances amount to Rs. 10.64 Mio. as on March 31, 2015 as compared to Rs. 8.39 Mio. as on March 31, 2014. Short Term Loans & Advances include Rs. 6.73 Mio. towards advances recoverable in cash or kind & Rs. 3.91 Mio. towards balance with statutory/government authorities, employee loans & prepaid expenses.

(vi) Other Current Assets

Other current assets amount to Rs. 9.18 Mio. as compared to Rs. 5.72 Mio. as on March 31, 2014. Other current assets include interest accrued on fixed deposits of Rs. 8.99 Mio.

B. Results of Operations

1. Turnover

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

(Rs. in Mio.)

Particulars	Year ended 31.03.2015	Year ended 31.03.2014
Gross Turnover	632	686
Less: Excise Duty	62	70
Net Turnover	570	616

2. Net Profit/Loss After Tax

The Net profit after tax grew by 114% to Rs.14.24 Mio. for the year ended 31st March, 2015 as against loss after tax of Rs. 103.05 Mio. in the previous year. This represents an increase in profit by Rs. 117.29 Mio.

3. Earnings Per Share

The basic EPS grew by 114% during the year to Rs. 0.23 per share as against Rs. (-)1.64 per share in the previous year.

4. Raw Material Consumption

The raw material consumption for current year is Rs. 217.84 Mio. as compared to Rs. 215.72 Mio. for previous year. The Company continued to follow the procurement model of cullet instead of producing in house cullet.

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

The increase in inventory of finished goods & work in progress during the year is Rs. 37.41 Mio.

6. Employee Benefits Expense

The employees' remuneration and benefits for the year ended March 31, 2015 are Rs. 67.09 Mio. as compared to Rs. 66.56 Mio. for the year ended March 31, 2014. The Company has 117 employees as on March 31, 2015 on its rolls.

7. Depreciation and Amortization Expense

Pursuant to notification of Schedule II to the Companies Act, 2013 with effect from 1st April, 2014, the Company has revisited the useful life of its fixed assets and depreciation has been provided on the basis of the estimated useful lives of fixed assets which is either equal to or lower than the life prescribed under Schedule II. Further the depreciation for the current year is lower by Rs. 5.21 Mio. due to change in accounting policy. There has been provided a sum of Rs. 11.61 Mio. towards depreciation for the year ended March 31, 2015 representing 1.84% of gross sales. The depreciation as a percentage of average gross block is 1.22% for the year ended March 31, 2015.

8. Other Expenses

Other expenses for the year ended March 31, 2015 are Rs. 341.98 Mio. as compared to Rs. 383.81 Mio. for the year ended March 31, 2014. 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, 2015

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

Description	March 2015	March 2014	March 2013
Financial Performance			
Sales	631.75	685.59	843.64
Profit before Interest, Investment Income Depreciation, Exceptional Items and Tax	(15.31)	(41.65)	10.42
Income from Interest & Investment	(41.25)	(21.37)	(47.45)
Interest Expenses	0.07	0.08	0.07
Depreciation and Amortization	11.61	24.99	35.90
(Profit)/Loss on Exceptional Items	-	74.30	25.94
Profit/(Loss) Before tax	14.24	(119.65)	(4.04)
Taxation charge / (Release)	-	(16.60)	4.83
Profit/(Loss) after Tax	14.24	(103.05)	(8.87)
Balance Sheet			
Share Capital	627.15	627.15	627.15
Reserves and Surpluses	268.20	267.93	370.98
Net Worth	895.35	895.08	998.13
Non Current Liabilities	1.20	1.16	18.92
Non Current Assets	204.17	219.32	317.90
Net Current Assets	692.40	676.90	699.20
Total Assets	955.02	946.04	1,074.58
Per Share Data			
Basic EPS (Rs.)	0.23	(1.64)	(0.14)
Book Value per share (Rs.)	14.28	14.27	15.92
Other Information			
Number of Shareholders	41,909	43,902	44,759

RATIO ANALYSIS FOR THE YEAR ENDED MARCH 31, 2015

Description	March 2015	March 2014	March 2013
Ratios-Financial Performance			
Gross Profit/ Total Sales [%]	21%	16%	21%
Profit /(Loss) Before Interest, Investment Income Depreciation, Exceptional Item & Tax/Total Sales [%]	(2)%	(6)%	1 %
Profit/(Loss) Before Interest, Investment Income Depreciation & Tax/Total Sales [%]	(2)%	(17)%	(2)%
Ratios-Balance Sheet			
Debt Equity Ratio (Long Term Debt : Equity)		-	-
Current Ratio	12.84	14.59	13.15
Days Sales Outstanding (DSO)	56	52	41
Depreciation/ Average Gross Block	1.22%	2.59%	3.60%

INDEPENDENT AUDITOR'S REPORT

To the Members of Insilco Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Insilco Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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 standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, 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. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of 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 financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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, the state of affairs of the Company as at March 31, 2015, its profit, and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. 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 purpose 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164 (2) of the Act;
 - (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the

Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 31 to the financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E

Sd/-

per Amit Gupta

Partner

Membership Number: 501396

Place of Signature: Gurgaon, Haryana

Date: May 21, 2015

Annexure referred to in paragraph 1 under ‘Report on Other Legal and Regulatory Requirement’ section of our report of even date

Re: Insilco Limited (“the Company”)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. Discrepancies noted on physical verification of inventories were not material, and have been properly dealt with in the books of accounts.
- (iii) According to the information & explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of Clause 3(iii)(a) and (b) of the order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us and having regard to the explanation that purchases of certain fixed assets are of proprietary nature for which alternative sources are not available to obtain comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods. The activities of the Company do not involve sale of services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- (v) The Company has not accepted any deposits from the public during the year.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of Precipitated Silica 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 same.
- (vii) (a) The Company is regular in depositing undisputed statutory dues including sales-tax, wealth tax, service tax, customs duty, excise duty, value added taxes, cess and any other material statutory dues with the appropriate authorities except for Employees’ State Insurance and Provident Fund which have not generally been regularly deposited with the appropriate authorities, though the delays in deposit have not been serious.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees’ state insurance, wealth-tax, service tax, sales-tax, customs duty, excise duty, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. However, one undisputed due in respect of Income tax for assessment year 1992-93 amounting to Rs. 2,797,203 is unpaid for which the Company has applied for the stay of demand requesting adjustment of refunds of other assessment year to Deputy Commissioner of

Income tax. The Company is yet to receive the acceptance or rejection of the application. Further, in respect of following assessment years, the Company has made provision for Income tax in the books based on final orders, which are not paid in the absence of appeal effect from the assessing officer:

Name of Statute	Nature of dues	Assessment year	Amount involved (Rs.)
Income Tax Act, 1961	Interest under Section 234B	1991-92	794,678
Income Tax Act, 1961	Addition to book profits under Section 115JA	1997-98	2,372,397
Income Tax Act, 1961	Addition to book profits under Section 115JA	1998-99	970,660

(c) According to the records of the Company, the dues outstanding of income-tax on account of any dispute, are as follows:

Name of the Statute	Nature of Dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax Disallowances/ Demands	251,304	A.Y. 1990-91	Income Tax Appellate Tribunal
		3,569,864*	A.Y. 1993-94	Income Tax Appellate Tribunal
		1,086,728	A.Y. 1998-99	Delhi High Court
		402,736	A.Y. 2002-03	Assessing Officer
		6,576,992	A.Y. 2003-04	Income Tax Appellate Tribunal
		2,741,830	A.Y. 2004-05	Income Tax Appellate Tribunal
		2,759,623	A.Y. 2005-06	Income Tax Appellate Tribunal
		16,669,750	A.Y. 2006-07	Income Tax Appellate Tribunal
		116,813	A.Y. 2010-11	Assessing Officer
		1,832,842	A.Y. 2012-13	Assessing Officer

* net of Rs. 3,631,512 adjusted against refund accruing to the Company for another assessment year.

There are no dues of sales-tax, wealth tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.

- (d) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- (viii) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current financial year. In the immediately preceding financial year, the Company has incurred cash losses.
- (ix) The Company has not defaulted in repayment of dues to a bank. The Company did not have any outstanding dues in respect of a financial institution or debenture holders during the year.
- (x) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xi) The Company did not have any term loans outstanding during the year.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financials statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E

Sd/-

per **Amit Gupta**

Partner

Membership Number: 501396

Place of Signature: Gurgaon, Haryana

Date: May 21, 2015

Balance Sheet as at March 31, 2015

Particulars	Notes	As at 31-March-2015 (Rs. in '000)	As at 31-March-2014 (Rs. in '000)
Equity and Liabilities			
Shareholder's Funds			
Share capital	3	627,150	627,150
Reserves and surplus	4	268,184	267,927
Non-current liabilities			
Deferred tax liabilities (Net)	5	-	-
Long-term provisions	6	1,200	1,161
Current liabilities			
Trade payables	7	21,141	15,430
Other current liabilities	7	24,045	21,862
Short-term provisions	6	13,301	12,511
TOTAL		955,021	946,041
Assets			
Non-current assets			
Fixed assets			
Tangible assets	8	156,993	177,106
Intangible assets	9	39	51
Capital Work-in-progress		928	166
Long-term loan and advances	10	46,208	41,994
Current assets			
Current investments	11	324,206	360,925
Inventories	12	130,371	93,934
Trade receivables	13	96,947	97,765
Cash and Bank Balances	14	179,508	159,991
Short-term loans and advances	10	10,637	8,385
Other current assets	15	9,184	5,724
TOTAL		955,021	946,041

Summary of significant accounting policies 2.1

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R. Batliboi & Co. LLP
Firm Registration No.: 301003E
Chartered Accountants
Sd/-

Per Amit Gupta
Partner
Membership No. 501396

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

Sd/-
Dara P Mehta
Chairman/Director

Sd/-
Brijesh Arora
Joint Managing Director

Sd/-
Sarvesh Kr. Upadhyay
Company Secretary

Sd/-
Frank Heinz Lelek
Managing Director

Sd/-
Shivangi Negi
CFO

Place : Gurgaon
Date : 21st May, 2015

Place : Noida
Date : 21st May, 2015

Statement of Profit & Loss Account for the year ended March 31, 2015

Particulars	Notes	For the year ended 31-March-2015 (Rs. in '000)	For the year ended 31-March-2014 (Rs. in '000)
INCOME			
Revenue from operations (Gross)	16	631,749	685,593
Less : Excise duty		62,004	69,989
Revenue from operations (Net)		569,745	615,604
Other income	17	45,676	27,247
Total Revenue (I)		615,421	642,851
Expenses			
Cost of raw material consumed	18	217,836	215,722
Changes in inventories of Finished Goods and Work-in-progress	19	(37,409)	(2,953)
Employee benefits expense	20	67,092	66,563
Finance costs	21	67	78
Depreciation and amortisation expense	22	11,610	24,989
Other expenses	23	341,985	383,808
Total (II)		601,181	688,207
Profit/ (loss) before exceptional items and tax (I-II)		14,240	(45,356)
Exceptional items	24	-	74,297
Profit/(Loss) before tax		14,240	(119,653)
Tax expense			
Current tax		-	-
Mat credit reversed		-	-
Deferred tax		-	(16,603)
Total Tax expense		-	(16,603)
Profit/(Loss) for the year		14,240	(103,050)
Earning/(loss) per equity share (Rs.):			
[nominal value of shares Rs. 10 (31 March 2014 Rs. 10)]	25		
Basic			
Computed on the basis of total profit/(loss) for the year		0.23	(1.64)
Diluted			
Computed on the basis of total profit/(loss) for the year		0.23	(1.64)
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R. Batliboi & Co. LLP
Firm Registration No.: 301003E
Chartered Accountants
Sd/-
Per Amit Gupta
Partner
Membership No. 501396

**For and on behalf of the Board of Directors
of Insilco Ltd.**
Sd/-
Dara P Mehta
Chairman/Director

Sd/-
Frank Heinz Lelek
Managing Director

Sd/-
Brijesh Arora
Joint Managing Director

Sd/-
Shivangi Negi
CFO

Sd/-
Sarvesh Kr. Upadhyay
Company Secretary

Place : Gurgaon
Date : 21st May, 2015

Place : Noida
Date : 21st May, 2015

Cash Flow Statement for the year ended March 31, 2015

Particulars	Year ended 31-March-2015 (Rs. in '000)	Year ended 31-March-2014 (Rs. in '000)
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(loss) before tax	14,240	(119,653)
Adjustments for :-		
- Depreciation/amortisation	11,610	24,989
- Impairment provision	-	74,297
- Profit on sale of fixed assets	1,168	(1,735)
- Profit on disposal of investments	(24,492)	(8,474)
- Interest (net)	(16,694)	(12,816)
- Liabilities no longer required written back	(1,827)	(246)
- Bad debts & advances written off	33	4
- Provision for diminution of investment	(1,107)	897
- Provision for slow moving inventory	1,454	3,333
Operating profit/(loss) before Working capital changes	(15,615)	(39,404)
Adjustment for :-		
- Trade receivables and other current assets	818	(4,020)
- Loans & advances	(4,662)	5,172
- Inventories	(37,892)	(14,879)
- Trade payables, other current liabilities and provisions	10,518	(8,475)
Cash generated (Utilised) from Operations	(46,833)	(61,606)
- Direct tax (paid)	-	-
Net Cash from / (used in) Operating activities	(46,833)	(61,606)
B) CASH FLOW FROM INVESTING ACTIVITIES		
- Purchase of fixed assets	(9,307)	(625)
- Sale of fixed Assets	1,982	2,949
- Purchase of investments	(140,000)	(200,194)
- Sale of investments	202,319	253,512
- Deposits with original maturity more than three months	(169,065)	(114,315)
- Maturity of deposits with original maturity more than three months	114,315	137,755
- Interest received	11,422	14,359
Net Cash from / (used in) Investing activities	11,666	93,441
C) CASH FLOW FROM FINANCING ACTIVITIES		
- Interest paid	(67)	(78)
Net Cash used in Financing activities	(67)	(78)
Net Increase/ (decrease) in Cash & Cash equivalents (A + B + C)	(35,234)	31,757
Cash & Cash equivalents as at beginning of the year	45,678	13,921
Opening Cash in hand & Bank balances (Refer Note 14)		
Cash & Cash equivalents as at the end of the year	10,444	45,678
Closing Cash in hand & Bank balances (Refer Note 14)		

As per our report of even date

For S.R. Batliboi & Co. LLP
Firm Registration No.: 301003E
Chartered Accountants

Sd/-

Per Amit Gupta
Partner
Membership No. 501396

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

Sd/-

Dara P Mehta
Chairman/Director

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Joint Managing Director

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Sarvesh Kr. Upadhyay
Company Secretary

Sd/-

Frank Heinz Lelek
Managing Director

Sd/-

Shivangi Negi
CFO

Place : Gurgaon
Date : 21st May, 2015

Place : Noida
Date : 21st May, 2015

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2015

1. Corporate Information

Insilco Limited is a subsidiary of Evonik Degussa GmbH, Germany. 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.

2. Basis of preparation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below.

2.1 Summary of significant accounting policies**Change in accounting policy*****I. Depreciation on fixed assets***

Till the year ended 31 March, 2014, Schedule XIV to the Companies Act, 1956, prescribed requirements concerning depreciation of fixed assets. From the current year, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013. The applicability of Schedule II has resulted in the following changes related to depreciation of fixed assets. Unless stated otherwise, the impact mentioned for the current year is likely to hold good for future years also.

(a) Useful lives/ depreciation rates

Till the year ended 31 March, 2014, depreciation rates prescribed under Schedule XIV were treated as minimum rates and the Company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II to the Companies Act, 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher/ lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements.

Considering the applicability of Schedule II, the management has re-estimated useful lives and residual values of all its fixed assets. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets, though these rates in certain cases are different from lives prescribed under Schedule II. Accordingly, an amount of Rs. 13,983 ('000) has been adjusted against the accumulated profits in respect of those assets where useful life has already been exhausted and which have no residual life as at 1 April, 2014. Further, the depreciation for the current year is lower by Rs. 5,214 ('000) due to change in accounting policy.

(b) Depreciation on assets costing less than Rs. 5,000/-

Till year ended 31 March, 2014, to comply with the requirements of Schedule XIV to the Companies Act, 1956, the Company was charging 100% depreciation on assets costing less than Rs. 5,000/- in the year of purchase. However, Schedule II to the Companies Act, 2013, applicable from the current year, does not recognize such practice. Hence, to comply with the requirement of Schedule II to the Companies Act, 2013, the Company has changed its accounting policy for depreciations of assets costing less than Rs. 5,000/-. As per the revised policy, the Company is depreciating such assets over their useful life as assessed by the management. The management has decided to apply the revised accounting policy prospectively from accounting periods commencing on or after 1 April, 2014.

The change in accounting for depreciation of assets costing less than Rs. 5,000/- did not have any material impact on financial statements of the Company for the current year.

a. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

b. Tangible Fixed Assets

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

c. Depreciation on Tangible Fixed Assets

Depreciation on fixed assets is calculated on the basis of the estimated useful lives of fixed assets which is either equal to or lower than the life prescribed under Schedule II of Companies Act, 2013. For this purpose, part of the plant has been considered as continuous process plant, based on technical opinion. The Company has used the following rates to provide depreciation on its fixed assets:

Particulars	Useful life as estimated by management Life (Years)	Useful life as per Schedule II Life (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*	5	10
Air conditioner*	5	10
Computers:		
-Server/Network*	4	6
-End user devices, desktop, laptop etc	3	3
Software	3	3
Office Equipment*	5	10
Furniture	10	10
Vehicle*	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

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, considered current usage and geographical location of such assets.

d. Intangible Assets

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

assets are stated at cost less accumulated amortization and impairment.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over the estimated useful economic life. Computer software is amortized over a period of three years, being the estimated useful life.

e. Leases

Where the Company is lessee

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of lease are capitalized.

A leased asset is depreciated on a straight-line basis over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain the ownership by the end of the lease term, the capitalized asset is depreciated on a straight-line basis over the shorter of the estimated useful life of the asset or the lease term.

Leases, where the lessor effectively retains substantially, all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

f. Impairment of Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) net selling price and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

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. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses, including impairment on inventories, 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.

g. Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

h. Investments

Investments, which are readily realizable and intended to be held for not more than one year from the date on which such investments are made, are classified as current investments. All other investments are classified as long-term investments.

On initial recognition, all investments are measured at cost. The cost comprises purchase price and directly attributable acquisition charges such as brokerage, fees and duties.

Current investments are carried in the financial statements at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

i. Inventories

Raw materials, stores and spares & 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, components and stores and spares 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 of finished goods includes excise duty. Cost is determined on a weighted average basis.

Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a weighted average basis.

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.

j. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized:

Sale of goods

Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods. The Company collects sales taxes and value added taxes (VAT) on behalf of the government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from revenue. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

Interest

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

Dividends

Dividend income is recognized when the Company's right to receive dividend is established by the reporting date.

k. Foreign currency translation

Foreign currency transactions and balances

(i) Initial recognition

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

(ii) Conversion

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non-monetary items, which are measured in terms of historical cost denominated in a foreign

currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

(iii) Exchange differences

The Company accounts for exchange differences arising on translation/settlement of foreign currency monetary items as below:

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

I. Employee benefits

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

2. *Long Term* :

i) 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 an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre payment will lead to, for example, a reduction in future payment or a cash refund.

- 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.

ii) Defined benefit plans:

- Gratuity

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

iii) Other Long Term Employee Benefit Plan:

- Compensated Absence

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the year-end. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date.

- Long Term Service Award

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

m. Income taxes

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Company operates. The tax rates and tax laws used

to compute the amount are those that are enacted or substantively enacted, at the reporting date. Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

In the situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961 enacted in India or tax laws prevailing in the respective tax jurisdictions where it operates, no deferred tax (asset or liability) is recognized in respect of timing differences which reverse during the tax holiday period, to the extent the Company's gross total income is subject to the deduction during the tax holiday period. Deferred tax in respect of timing differences which reverse after the tax holiday period is recognized in the year in which the timing differences originate. However, the Company restricts recognition of deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized. For recognition of deferred taxes, the timing differences which originate first are considered to reverse first.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax asset to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each reporting date. The Company writes-down the carrying amount of deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

Minimum alternate tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e. the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

n. Segment Reporting

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

o. Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they are entitled to participate in dividends relative to a fully paid equity share during the reporting 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.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

p. Provisions

A provision is recognized when the Company has a present obligation as a result of past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates.

Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of profit and loss net of any reimbursement.

q. Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

r. Cash and cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

Particulars	As at 31-March-2015 (Rs. in '000)	As at 31-March-2014 (Rs. in '000)
Note (3) Share Capital		
Authorised Share Capital		
65,715,000 (Previous year 65,715,000) equity shares of Rs.10 each	657,150	657,150
Issued, Subscribed and fully Paid up Shares		
62,715,000 (Previous year 62,715,000) equity shares of Rs.10 each fully paid up	627,150	627,150
Total issued, Subscribed and fully Paid up Shares	627,150	627,150

a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

Particulars	As at 31-March-2015		As at 31-March-2014	
	Numbers	(Rs. in '000)	Numbers	(Rs. in '000)
At the beginning of the year	62,715,000	627,150	62,715,000	627,150
Issued during the year	-	-	-	-
Outstanding at the end of the year	62,715,000	627,150	62,715,000	627,150

b. 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.

c. Shares held by holding company

Particulars	As at 31-March-2015		As at 31-March-2014	
	Numbers	(Rs. in '000)	Numbers	(Rs. in '000)
Evonik Degussa GmbH, the Holding Company	45,853,315	458,533	45,853,315	458,533

d. Details of shareholders more than 5% shares in the company

Particulars	As at 31-March-2015		As at 31-March-2014	
	Numbers	% holding in the class	Numbers	% holding in the class
Evonik Degussa GmbH, the Holding Company	45,853,315	73.11%	45,853,315	73.11%

Particulars	As at 31-March-2015 (Rs. in '000)	As at 31-March-2014 (Rs. in '000)
Note (4) Reserve and Surplus		
Surplus/(deficit) in the statement of profit and loss		
Balance as per last financial statement	267,927	370,977
Adjustment to carrying amount of fixed assets as per Schedule II of the Companies Act, 2013 (Net of Deferred Tax Liability) (refer note 2.1.I(a))	(13,983)	-
Profit/(Loss) for the year	14,240	(103,050)
	<u>268,184</u>	<u>267,927</u>
Closing Balance	268,184	267,927

Particulars	As at 31-March-2015 (Rs. in '000)	As at 31-March-2014 (Rs. in '000)
Non-current liabilities		
Note (5) Deferred Tax Liabilities (net)		
Deferred tax liabilities		
Depreciation on fixed assets	24,514	26,481
Gross Deferred tax liabilities	24,514	26,481
Deferred tax assets		
Impairment on fixed assets	18,665	20,897
Provision for doubtful debts & Advances	363	414
Provision for inventory obsolescence	3,102	2,630
Employee benefits	2,384	2,540
Gross Deferred tax assets	24,514	26,481
Net Deferred tax liabilities	-	-

The Company follows Accounting Standard (AS 22) "Account for taxes on Income", as notified by the Companies Accounting Standard Rules, 2006. Since the Company has sufficient timing differences, against which deferred tax assets can be realised in future, hence the deferred tax asset has been recognized to the extent of deferred tax liabilities.

Particulars	Long Term		Short Term	
	As at 31-March-2015 (Rs. in '000)	As at 31-March-2014 (Rs. in '000)	As at 31-March-2015 (Rs. in '000)	As at 31-March-2014 (Rs. in '000)
Note (6) Provisions				
Provision for Income Tax (Net of advance Tax)	-	-	6,935	6,935
Provision for Gratuity (Note No. 26)	-	-	1,041	-
Provision for Long Service Award	1,200	1,161	375	57
Provision for Compensated Absences	-	-	4,165	4,107
Provision for Sick Leave	-	-	785	712
Total provisions	1,200	1,161	13,301	12,511

Particulars	As at 31-March-2015 (Rs. in '000)	As at 31-March-2014 (Rs. in '000)
Note (7) Trade payable and Other current liabilities		
Trade Payable (refer note 32 for details of dues to Micro & Small Enterprises)	21,141	15,430
Other Current Liabilities		
Advance from Customers	34	269
Advance received against disposal of fixed assets (Refer note 39)	12,500	12,500
Retention money of Vendors	748	783
Security Deposits from Customers	1,200	1,200
Others		
TDS payable	791	645
Excise Duty and Service tax Payable	6,805	3,370
Employee related liabilities	1,800	2,722
Other Statutory Liabilities	-	373
Other payables	167	-
Total Other current liabilities	24,045	21,862
	45,186	37,292

Note (8) Tangible Assets

(Rs. in '000)

Tangible assets	Freehold land	Lease Hold Land	Building	Plant & Machinery	Furniture & Fixtures	Vehicles	Office Equipments	Leasehold Improvements	Electrical Installation & Fittings	Computers	Total
At 1st April 2013	104	17,404	190,814	656,193	5,478	7,292	3,043	7,556	65,341	14,730	967,955
Additions	-	-	173	1,639	15	-	348	-	93	156	2,424
Disposal	-	-	-	(5,371)	(291)	(932)	(204)	(7,161)	(1,755)	(336)	(16,050)
Transfer from assets held for sale	-	-	-	468	-	-	-	-	-	-	468
Other Adjustments	-	-	-	-	294	-	101	(395)	-	-	-
At 31st March 2014	104	17,404	190,987	652,929	5,496	6,360	3,288	-	63,679	14,550	954,797
Additions	-	-	-	8,359	-	-	101	-	43	117	8,620
Disposal	-	-	-	(20,762)	(74)	(982)	(305)	-	(374)	(383)	(22,880)
At 31st March 2015	104	17,404	190,987	640,526	5,422	5,378	3,084	-	63,348	14,284	940,537
Depreciation											
At 1st April 2013	-	4,070	97,389	512,160	3,123	3,913	1,921	6,718	53,192	10,412	692,898
Additions	-	202	5,983	13,921	254	1,246	381	456	1,102	1,404	24,949
Disposal	-	-	-	(5,079)	(224)	(760)	(136)	(7,021)	(1,361)	(297)	(14,878)
Transfer from assets held for sale	-	-	-	425	-	-	-	-	-	-	425
Other Adjustments	-	-	-	-	116	-	37	(153)	-	-	-
At 31st March 2014	-	4,272	103,372	521,427	3,269	4,399	2,203	-	52,933	11,519	703,394
Additions	-	202	4,882	3,457	311	754	362	-	308	1,330	11,606
Disposal	-	-	-	(18,185)	(28)	(877)	(167)	-	(199)	(273)	(19,729)
Transfer to opening retained earnings (refer note 2.1.(e))	-	-	8,342	5,423	1	-	-	-	155	55	13,976
At 31st March 2015	-	4,474	116,596	512,122	3,553	4,276	2,398	-	53,197	12,631	709,247
Impairment Provision											
At 1st April 2013	-	-	-	-	-	-	-	-	-	-	-
Additions [refer note 38]	-	-	6,896	62,672	-	-	-	-	4,729	-	74,297
Reversal	-	-	-	-	-	-	-	-	-	-	-
At 31st March 2014	-	-	6,896	62,672	-	-	-	-	4,729	-	74,297
Additions [refer note 38]	-	-	-	-	-	-	-	-	-	-	-
Reversal	-	-	-	-	-	-	-	-	-	-	-
At 31st March 2015	-	-	6,896	62,672	-	-	-	-	4,729	-	74,297
Net Block at 31st March 2014	104	13,132	80,719	68,830	2,227	1,961	1,085	-	6,017	3,031	177,106
Net Block at 31st March 2015	104	12,930	67,495	65,732	1,869	1,102	686	-	5,422	1,653	156,993

Note (9) Intangible assets - Computer Software

At 1st April 2013	2,898
Additions	-
Disposal	-
At 31st March 2014	2,898
Additions	-
Disposal	-
At 31st March 2015	2,898
Amortisation	
At 1st April 2013	2,807
Additions	40
Disposal	-
At 31st March 2014	2,847
Additions	5
Disposal	-
Transfer to opening retained earnings	7
At 31st March 2015	2,859
Net Block at 31st March 2014	51
Net Block at 31st March 2015	39

Particulars	Non Current		Current	
	As at 31-March-2015 (Rs. in '000)	As at 31-March-2014 (Rs. in '000)	As at 31-March-2015 (Rs. in '000)	As at 31-March-2014 (Rs. in '000)
Note (10) Loans and advances				
Capital Advances				
Unsecured, considered good	-	74	-	-
	-	74	-	-
Security Deposit				
Unsecured, considered good	6,684	5,704	-	-
Doubtful	103	103	-	-
	6,787	5,807	-	-
Less: Provision for doubtful security deposit	(103)	(103)	-	-
	6,684	5,704	-	-
Advances recoverable in cash or kind				
Unsecured, considered good	-	-	6,730	3,731
Doubtful	-	-	978	978
	-	-	7,708	4,709
Less: Provision for doubtful advances	-	-	(978)	(978)
	-	-	6,730	3,731
Other loans and advances				
Employee Loan	22	190	174	385
Advance Income Tax (Net of Provision for Tax)	38,655	33,926	-	-
Prepaid expenses	-	-	2,632	2,920
Balance with Statutory/government authorities	847	2,100	1,101	1,349
	39,524	36,216	3,907	4,654
	46,208	41,994	10,637	8,385

Particulars	As at 31-March-2015 (Rs. in '000)	As at 31-March-2014 (Rs. in '000)
Note (11) Investments		
Current Investments - (valued at lower of cost and fair value, unless stated otherwise)		
Unquoted Mutual Funds, Non Trade		
3,56,197 (previous year 1,781,924) units of Rs 10 each in Birla Sun Life Govt. Security Long Term Growth -Direct Plan	12,262	61,342
11,47,540 (previous year 1,353,521) units of Rs 10 each in Kotak Gilt (Investment Regular) Direct Plan Growth	46,650	55,000
868,973 (previous year 1,889,928) units of Rs 10 each in Franklin India Govt. Securities Fund-Long Term Plan -Direct Growth	23,537	51,190
1,910,706 (previous year 1,910,706) units of Rs 10 each in Principal Government Securities fund-Direct Plan Growth	45,000	45,000
4,32,714 (previous year 1,278,261) units of Rs 10 each in Franklin India Govt. Securities Fund-Composite Plan-Direct Growth	16,757	49,500
Nil (previous year 5,981,278) units of Rs 10 each in Morgan Stanley Gilt Fund-Direct Growth Plan	-	60,000
2,932,293 (previous year 2,932,293) units of Rs 10 each in DWS Gilt Fund-Direct Plan-Growth*	40,000	38,893
1,487,947 (previous year Nil) units of Rs 10 each in DSP BlackRock Government Securities Fund-Direct Plan-Growth	60,000	-
10,48,621 (previous year Nil) units of Rs 10 each in Canara Robeco Gilt PGS-Direct Growth	40,000	-
8,35,631 (previous year Nil) units of Rs 10 each in ICICI Prudential Long Term Gilt Fund-Direct Plan-Growth	40,000	-
	324,206	360,925

Aggregate amount of unquoted investment Rs. 324,205 ('000) [previous year Rs. 406,668 ('000)]

*Aggregate provision for diminution in value of investment Rs. NIL [previous year Rs. 1,107 ('000)]

Particulars	As at 31-March-2015 (Rs. in '000)	As at 31-March-2014 (Rs. in '000)
Note (12) Inventories		
(At cost and net realisable value, which ever is lower)		
Raw materials [includes material in transit of Rs.2,608 ('000); [Previous year Rs.Rs.2,065 ('000)]]	18,562	18,468
Work-in-progress	14,772	8,472
Finished goods [includes material in transit of Rs. 8,684 ('000); [Previous year Rs. 8,859 ('000)]]	70,943	39,834
Stores and spares [includes material in transit of Rs. 639 ('000); (Previous year Rs.49 ('000)]	24,614	25,858
Packing Materials [includes material in transit of Rs. 28 ('000); (Previous year Rs.Nil ('000)]	1,480	1,302
	130,371	93,934

Particulars	As at 31-March-2015 (Rs. in '000)	As at 31-March-2014 (Rs. in '000)
Notes (13) Trade Receivables		
Debts outstanding for a period exceeding six months from the date they are due for payment		
Unsecured, Considered good	-	68
Doubtful	41	194
	<u>41</u>	<u>262</u>
Provision for doubtful receivables	(41)	(194)
	<u>-</u>	<u>68</u>
Other Receivables		
Secured, Considered good	1,025	1,100
Unsecured, Considered good (refer note 42)	95,922	96,597
	<u>96,947</u>	<u>97,765</u>

Notes (14) Cash and Bank Balances		
Cash & cash equivalents		
Balance with Banks:		
On Current accounts*	10,350	15,537
Deposits with Original Maturity of less than three months	-	30,000
Cash on hand	94	140
	<u>10,444</u>	<u>45,677</u>
Other Bank balances:		
Deposits with Original Maturity of more than 3 months but less than 12 months	169,064	114,190
Deposits under lien**	-	124
	<u>169,064</u>	<u>114,314</u>
	<u>179,508</u>	<u>159,991</u>

*Sweep fixed deposits with bank have been considered as part of current account balances with banks.

**Deposit of Rs. Nil ('000) [previous year Rs. 124 ('000)] are under lien on account of debenture interest.

The Company has credit facilities amounting to Rs. 5,000 ('000) from a Bank which includes cash credit, export packing credit, export post shipment credit and bill discounting facilities. This limit is secured by hypothecation of stock of finished goods, work in progress, raw materials and book debts both present and future of the Company on first pari passu charge basis.

Note (15) Other Current Assets		
Unsecured, considered good unless stated otherwise		
Interest accrued on Fixed Deposits	8,989	5,054
Export Benefit receivable	165	64
Fixed Assets held for sale	30	24
Other receivables	-	582
	<u>9,184</u>	<u>5,724</u>

Particulars	For the year ended 31-March-2015 (Rs. in '000)	For the year ended 31-March-2014 (Rs. in '000)
Note (16) Revenue from operations		
Sale of products		
Finished Goods	596,189	645,481
Other operating revenue		
Waste Sale	180	36
Freight and forwarding charges - Income	35,380	40,076
Revenue from operations (gross)	<u>631,749</u>	<u>685,593</u>
Less: Excise duty #	62,004	69,989
Revenue from operations (net)	<u>569,745</u>	<u>615,604</u>

Excise duty on sales amounting to Rs. 62,004 ('000) (Previous year Rs. 69,988 ('000)) has been reduced from Sales in Statement of Profit & Loss and excise duty on increase/(Decrease) in stock amounting to Rs. 3,298 ('000) (Previous year Rs. 1,037 ('000)) has been considered as (Income)/Expense in note 23 of the financial statements.

Details of products sold

Finished goods sold

Precipitated Silica	596,189	645,481
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Note (17) Other income

Interest Income on		
Bank Deposits	13,422	12,211
Interest on Income tax refund	3,325	664
Others	14	20
Profit on sale of Current Investment	24,492	8,474
Profit on sale of Fixed Assets	-	1,735
Reversal of provision for Bad and Doubtful Debts	-	-
Provisions no longer required written back	1,827	246
Insurance claim income	51	111
Export Incentive	284	72
Scrap Sales	1,063	1,022
Diminution of Investments (Net of reversal)	1,107	-
Exchange Difference (Net)	84	-
Miscellaneous Income	7	2,692
	<u>45,676</u>	<u>27,247</u>

Note (18) Cost of Raw Material Consumed

Inventory at the beginning of the year	18,468	4,296
Add: Purchases	217,930	229,894
	<u>236,398</u>	<u>234,190</u>
Less: Inventory at the end of the year	18,562	18,468
Cost of Raw Material Consumed	<u>217,836</u>	<u>215,722</u>
Details of Raw Material Consumed		
Cullet	193,437	192,034
Sulphuric Acid	22,709	21,988
Others	1,690	1,700
	<u>217,836</u>	<u>215,722</u>
Details of Raw material inventory		
Cullet	18,152	16,593
[includes material in transit of Rs. 2,608 ('000); [Previous year Rs. 2,065 ('000)]]		
Others	410	1,875
	<u>18,562</u>	<u>18,468</u>

Particulars	For the year ended 31-March-2015 (Rs. in '000)	For the year ended 31-March-2014 (Rs. in '000)
Note (19) (Increase)/ Decrease in Finished Goods and Work in progress		
(Increase)/ Decrease in Finished Goods and Work in Progress		
Opening Stock		
Finished Goods & Work in Progress	48,306	45,353
Closing Stock		
Finished Goods & Work in Progress	85,715	48,306
	<u>(37,409)</u>	<u>(2,953)</u>
Details of Inventory		
Finished Goods - Precipitated Silica	<u>70,943</u>	<u>39,834</u>
Work-in-progress		
Water Glass stage	6,319	5,646
Drying stage	6,325	1,140
Others	2,128	1,686
	<u>14,772</u>	<u>8,472</u>
Note (20) Employee Benefit Expenses		
Salaries, Wages, Dearness Allowance and Bonus	49,311	51,918
Contribution to Provident and other Funds (refer note 26)	8,556	8,779
Gratuity Expense (refer note 26)	3,155	-
Staff Welfare Expenses	6,070	5,866
	<u>67,092</u>	<u>66,563</u>
Note (21) Finance Cost		
Interest Expense	67	78
	<u>67</u>	<u>78</u>
Note (22) Depreciation on Tangible and Intangible assets		
Depreciation on Tangible assets	11,570	24,949
Amortization on Intangible assets	40	40
	<u>11,610</u>	<u>24,989</u>

Particulars	For the year ended 31-March-2015 (Rs. in '000)	For the year ended 31-March-2014 (Rs. in '000)
Note (23) Other Expenses		
Stores & Spare parts Consumed	22,155	21,393
Packing Material Consumed	19,836	18,068
Power & Fuel	205,448	246,472
Repairs to Building	1,258	651
Repairs to Machinery	5,582	5,610
Repairs to Others	975	888
Provision for obsolete stores, spares and packing bags	1,454	3,333
Increase/(Decrease) in provision for excise duty on finished goods	3,298	1,037
Rent (refer note 27)	1,839	3,000
Rates & Taxes	1,809	1,598
Insurance	3,424	4,175
Discount, Rebates and Allowances	2,583	2,249
Selling & marketing expenses	6,572	9,516
Freight and forwarding charges - Expense	39,296	40,962
Bad debts / Advances Write off	33	112
Less: Adjutsment with provision for Doubtful debts	-	108
Directors' sitting fee	620	440
Payment to auditor (Refer details below)	1,940	1,709
Legal & Professional	1,939	3,428
Travelling & Conveyance	1,049	1,842
Exchange Difference (Net)	-	132
Provision for Doubtful advances	-	978
Provision for Doubtful Debts	-	51
Royalty	1,639	1,654
Loss on sale of Fixed Assets, net	1,168	-
Diminution of Investments (Net of reversal)	-	897
Support service charges	4,729	2,463
Watch & ward expenses	3,603	3,214
Printing & stationary	1,056	803
Miscellaneous expenses	8,680	7,241
	341,985	383,808
Payment to Auditor		
As auditor:		
- Audit Fee	900	810
- Tax Audit Fee	210	150
- Limited Review	730	660
For Reimbursement of Expenses	100	89
	1,940	1,709
Note (24) Exceptional Items		
Impairment Provision [refer note 38]	-	74,297
	-	74,297

Particulars	For the year ended 31-March-2015 (Rs. in '000)	For the year ended 31-March-2014 (Rs. in '000)
Note (25) Earning Per Share (EPS)		
The following reflects the profit & share data used in the basic & diluted EPS computations:		
Total Operations for the year		
Profit/(Loss) after tax	14,240	(103,050)
Net profit/(loss) for calculation of basic & diluted EPS	<u>14,240</u>	<u>(103,050)</u>
Weighted average no. of equity shares in calculation Basic & diluted EPS (in No. '000)	<u>62,715</u>	<u>62,715</u>

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

A. Defined Contribution Plans

- Provident Fund.
- Superannuation Fund.
- Employers Contribution to Employee State Insurance.
- Employers Contribution to Employees' Pension Scheme 1995.

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

Particulars	(Rupees in '000)	
	2014-15	2013-14
Employers Contribution to Provident Fund.*	2,389	2,947
Employers Contribution to Superannuation Fund.*	4,547	4,694
Employers Contribution to Employee State Insurance.*	76	144
Employers Contribution to Employees' Pension Scheme 1995.*	1,325	842
Total	8,337	8,627

* Included in Contribution to Provident, and other funds under Employee Benefit expenses (Refer note 20)

B. Defined Benefit Plans

Employees' Gratuity Fund:

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). Rate of return is as given by the insurance Company. The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

The principal assumptions used in determining gratuity obligations for the Company's plans are shown below:

Particulars	2014-15	2013-14
Discount Rate (per annum)	7.80%	9.10%
Expected Rate of increase in compensation levels	9.00%	9.00%
Expected Rate of return on plan assets	9.00%	8.75%
Expected Average remaining working lives of employees (years)	12	13

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

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.

Reconciliation of opening and closing balances of present value obligation

(Rupees in '000)

Particulars	2014-15	2013-14
Opening balance of defined benefit obligation	21,374	23,481
Current service cost	1,436	1,381
Interest cost	1,945	1,878
Benefits Paid	(1,717)	(1,893)
Actuarial (gain)/ loss	1,854	(3,473)
Closing defined benefit obligation	24,893	21,374

Reconciliation of opening and closing balances of fair value of plan assets:

(Rupees in '000)

Particulars	2014-15	2013-14
Opening balance of fair value of plan assets	23,489	20,280
Expected return on plan assets	2,055	1,876
Contributions	NIL	3,200
Benefits Paid	(1,717)	(1,893)
Actuarial gain/ (loss)	25	26
Closing balance of plan assets	23,852	23,489

Amount of expense recognized in the Profit and Loss Account:

(Rupees in '000)

Particulars	2014-15	2013-14
Current service cost	1,436	1,381
Interest cost	1,945	1,878
Expected return on Plan Assets	(2,055)	(1,876)
Net Actuarial (gain)/ loss recognized during the year	1,829	(3,498)
Total (income)/expense recognized in Profit & Loss Account	3,155	(2,115)*

*The excess of fair value of planned assets over present value of defined obligation has been disclosed under Miscellaneous Income.

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows:

Particulars	2014-15	2013-14
Investments with insurer	100%	100%

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

(Rupees in '000)

S. No.	Net Asset/ (Liability) recognized in Balance Sheet (including experience adjustment impact)	2014-2015	2013-2014	2012-2013	2011-2012	2010-2011
1	Present value of Defined Benefit Obligation	24,893	21,374	23,481	19,602	16,104
2	Fair value on Plan Assets	23,852	23,489	20,280	16,157	12,184
3	Net Asset/ (Liability) recognized in Balance Sheet	(1,041)	2,114	(3,201)	(3,445)	(3,920)
4	Experience Adjustment of Plan Assets [Gain/(Loss)]	221	26	-	-	-
5	Experience Adjustment of obligation [(Gain)/Loss]	25	(42)	737	1,448	738

Gratuity:

The Company expects to contribute Rs. 1,041('000) to gratuity in next year [31 March 2014 Nil].

C. Other Long Term Employee Benefits

a. Leave Encashment

Under this plan, employees are entitled to encash their leaves at the time of leaving the service. Upto certain level of employees may encash leaves every year subject to the limits specified.

b. 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 & 20 years of continuous service.

c. Compensated Absence

Under this plan every employee is entitled to Sick leave, which can be accumulated up to the limit specified. However the same is not encashable.

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

(Rupees in '000)

Particulars	2014-15	2013-14
a. Leave Encashment	596	700
b. Long Service Awards	497	43
c. Compensated Absence	72	107

27. Leases

The Company has taken its corporate office at Noida with effect from 1st May, 2013 under non cancelable operating lease for a period of 3 years. The Lease Deed further gives a right to the Company to renew the Lease after expiry of 3 years for 2 further periods of 3 years.

The lease rental expense recognized in the profit & loss account for the year in respect of lease transaction is Rs. 1,839 ('000) [previous year Rs. 3,000 ('000)] (refer note 23).

The future minimum lease payments and payment profile of non-cancelable operating lease as at March 31, 2015 are as follows:

(Rupees in '000)

Periods	Future minimum lease payments	
	2014-15	2013-14
Payable not later than one year	1,928	1,928
Payable later than one year and not later than five years	161	2,089
Payable later than five years	-	-
Total Minimum Lease payments	2,089	4,017

28. Segment Information

Disclosure regarding segment reporting as per Accounting Standard 17 'Segment Reporting', have not been provided since the Company has a single business segment namely Precipitated Silica.

The following table shows the distribution of the Company's consolidated sales by geographical market, regardless of where the goods were produced.

Particulars	Value Rupees in ('000)	
	2014-15	2013-14
Domestic Operations	572,608	641,627
Foreign Operations	23,581	3,854
Total	596,189	645,481

There were overseas trade receivables of Rs. 131('000) [previous year 1,925('000)] as at year end. The Company has common other assets for producing goods to domestic and overseas market. Hence separate figures for other assets/addition to fixed assets have not been furnished.

29. Related Party Disclosure

a. List of Related Parties

Relationship	Name of Related Party
Related parties where control exists	
Ultimate Holding Company	RAG-Stiftung
Intermediate Holding Company	Evonik Industries AG
Holding Company	Evonik Degussa GmbH
Related parties with whom transactions have taken place during the year	
Fellow Subsidiaries with whom the Company has transacted	1. Evonik India Pvt. Ltd. (Formerly known as Evonik Degussa India Pvt. Ltd.) 2. Industriepark Wolfgang GMBH 3. Evonik Iran 4. Evonik IP GMBH
Key Managerial Personnel and their relatives	Mr. Pankaj Khandelwal, Managing Director * Mr. Brijesh Arora** Ms. Sheetal Saluja, Company Secretary*** Ms. Shivangi Negi, CFO****
Joint Managing Director	Mr. Brijesh Arora****
Directors and their relatives	Mr. Dara Phirozeshaw Mehta Mr. Guido Johannes Christ

* Till 28th February, 2015** - Company Secretary from 1st April, 2014 to 13th August, 2014- CFO from 14th August, 2014 to 28th February, 2015*** Company Secretary from 14th August, 2014 to 19th February, 2015**** With effect from 1st March, 2015

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

(Rupees in '000)

Particulars	Holding Company & Intermediate Holding Company		Fellow Subsidiary		Key Management Personnel	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
Transactions during the year						
Commission on sales paid - Evonik India Pvt. Ltd - Evonik Degussa Iran AG	- -	- -	5,460 527	9,056 -	- -	- -
Managerial remuneration* - Mr. Pankaj Khandelwal - Mr. Brijesh Arora - Ms. Sheetal Saluja - Ms. Shivangi Negi	- - - -	- - - -	- - - -	- - - -	3,889 3,629 458 98	4,674 - - -
Director's Sitting Fee - Mr. Dara Phirozeshaw Mehta - Mr. Guido Johannes Christ	- -	- -	- -	- -	380 240	- -
SAP license & Microsoft license fees paid - Evonik Industries AG	4,735	686	-	-	-	-
Royalty - Evonik Degussa GmbH - Evonik IP GmbH	898 -	1,654 -	- 741	- -	- -	- -

Particulars	Holding Company & Intermediate Holding Company		Fellow Subsidiary		Key Management Personnel	
IT related services paid (net of reversals)						
- Evonik Services GmbH	-	-	-	1,812	-	-
- Evonik (SEA) Pte Ltd	-	-	-	(62)	-	-
- Industriepark Wolfgang GmbH	-	-	(6)	27	-	-
Travelling & conveyance expense (reimbursement made)						
- Evonik India Pvt. Ltd	-	-	-	20	-	-
Training expense paid**						
- Evonik Services GmbH	-	-	-	227	-	-
Reimbursement of expenses received						
- Evonik Industries AG	-	747	-	-	-	-
- Evonik India Pvt. Ltd	-	-	174	783	-	-
Outstanding balances:						
Loans and advances						
- Evonik India Pvt. Ltd	-	-	-	7	-	-
- Evonik Industries AG	-	-	436	-	-	-
Trade Receivables						
- Evonik Degussa Iran AG	-	-	52	-	-	-
Trade payables						
- Evonik Service GmbH	-	-	-	10	-	-
- Evonik India Pvt. Ltd	-	-	-	603	-	-
Provision for Royalty, SAP licence & IT support fee payable to:***						
- Industriepark Wolfgang GmbH	-	-	-	6	-	-
- Evonik IP GmbH	-	-	457	-	-	-
- Evonik Industries AG	1,208	192	-	-	-	-
- Evonik Services GmbH	-	-	-	844	-	-
- Evonik Degussa Iran AG	-	-	527	-	-	-
- Evonik Degussa GmbH	-	349	-	-	-	-

* As the future liability for Gratuity and leave encashment is provided on an actuarial basis for the Company as a whole, the amount pertaining to key management personnel not included above.

** These expenses have been included under the head miscellaneous expenses in financial statements.

*** The above balances have been included under the head Trade Payables in financial statements.

30. Capital and Other Commitments

(Rupees in '000)

Particulars	2014-15	2013-14
Estimated amounts of contracts remaining to be executed on capital account and not provided for	-	-
Other Commitments (non callable contractual commitments)	-	-

31. (a) Contingent Liabilities

(Rupees in '000)

Particulars	2014-15	2013-14
(a) Income tax claims disputed by the Company relating to issues of applicability and determination pertaining to various assessment years.*	39,640	37,690
(b) Notice received from Nagar Panchayat Office Gajraula, District Amroha, raising demand for payment of House Tax since the year 1995 - 1996 till the year 2013-2014 @ Rs. 500 ('000) per annum amounting to Rs. 9,500 ('000) with the financial penalty of Rs. 2,375 ('000) aggregating to Rs. 11,875 ('000)**. Additional liability for Apr-2014 to March-2015 proportionately works out to Rs. 625 ('000)**.	12,500	11,875
(c) Notice amounting to Rs. 54 ('000) was received from Assistant Commissioner, Central Excise & Service Tax, Division Hapur.	54	-
TOTAL	52,194	49,565

* The Company is contesting the demands and the management, including its tax advisors, believes that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the tax demand raised. The management believes that the ultimate outcome of this proceeding will not have a material adverse effect on the Company's financial position and results of operations.

** The Company has received notice for demand of Rs. 11,875 ('000) from Nagar Panchayat office, Gajraula for payment of House tax including penalty from the year 1995 to 2014. Additional liability for Apr-2014 to March-2015 proportionately works out to Rs. 625('000). The Company believes that the demand notice of Nagar Panchayat is not tenable in law pursuant to Memorandum of Settlement (MoS) between Town Area Committee/ Nagar Panchayat, Gajraula and Gajraula Industries Association, Gajraula. Nagar Panchyat has contended that the waiver of tax as per MoS is not as per UP Municipal Act 1916. The Company has also obtained legal opinion on the matter. Based on legal opinion and MoS, the Company does not anticipate any liability in this regard. Pending resolution of above dispute, demand of Rs 12,500 ('000) has been disclosed under contingent liability.

(b) The Company is also under litigation for following cases, where based on management's assessment, the chance of liability devolving on the Company is considered as not probable:

- (i) A notice was received from Zila Panchayat, Amroha, J.P. Nagar in October 2000 raising demand of Rs. 49,400 ('000) regarding water pollution from the Company's plant. The Company has replied to the said Notice in October 2000 and has not received any response to their reply from the Panchayat. The Company believes that the Supreme Court judgement in the case of Imtiaz Ahmed vs. Union of India & Ors. strengthens the Company's stand in the matter and confident of no liability against the said matter shall arise in future.
- (ii) A notice was received from Sub Divisional Magistrate, Dhanaura under Section 133 of the code of criminal procedure, 1973 in February 2006, on complaint of general public nearby the plant stating that the emission of gas and effluent released from our factory is causing loss to their crops, plants and vegetation. The case is currently under hearing.
- (iii) A summon was received from Civil Judge, Hasanpur in November 2006, regarding a complaint by an individual alleging damage / harm to the gram panchayat land and claim of compensation there against. The case is currently under hearing.
- (iv) Writ petition filed by an individual at Hon'ble High Court at Allahabad in September 2007 for stopping process of the Company on the ground that the Company is running factory infringing the rules and regulations of the Pollution Act and causing damage to environment by producing chemicals, dangerous gases and effluent in public localities. The matter is under hearing.
- (v) A notice was received from Niyat Pradhikari/Upper Ziladhikari in November 1995 and from Moradabad Development Authority in September 1997 for not taking approval from the said authority for construction of residential complex in Gajraula plant. The Company has duly replied to both the notices in November 1995 and October 1997 respectively and has not received a response from the said authorities.
- (vi) A notice was received from Tehsildar Dhanaura under Section 122-B of the U.P. Zamindari Abolition and Land Reforms Act, 1950 in May 1993 alleging illegal encroachments of Gaon Sabha land. The said land has been subsequently mutated in name of UPSIDC and thus, the Company expects the said proceedings to be dropped by the Tehsildar shortly.

- (vii) One case is pending since January 2013 and three cases are pending since February 2013 with Motor Accident Claims Tribunal, Meerut for accident with Company's vehicle, which are under progress.
- (viii) A matter is pending before West Bengal Taxation Tribunal since April 2011 where the Company's vehicle was seized by the VAT Authority due to deficiency in Way Bill under new VAT Act of West Bengal. The Company has challenged the validity of the said relevant section/ rule of the said Act and the matter is currently pending.

Based on judicial pronouncements/expert opinion/current status of the above matters, the Company believes that the ultimate outcome of these notices/proceedings will not have a material adverse effect on the Company's financial position and results of operations.

32. Disclosure under Micro, Small and Medium Enterprises Development Act, 2006

The Company has amounts due to suppliers under The Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) as at March 31, 2015. The disclosure pursuant to the said Act is as under:

(Rupees in '000)

S. No.	Particulars	2014-15	2013-14
1.	Principal amount remaining unpaid as at year end	Nil	Nil
2.	Interest due thereon as at year end	Nil	Nil
3.	Interest paid by the Company in term of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the suppliers beyond the appointed day during the year	Interest – Rs. Nil Principal-Rs. 17,660	Nil
4.	Interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	22	Nil
5.	Interest accrued and remaining unpaid as at year end	22	Nil
6.	Further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise	Nil	Nil

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

33. Value of imports calculated on CIF basis

Particulars	Value Rupees in ('000)	
	2014-15	2013-14
Stores and Spares	3,645	147
Capital Goods	-	-
Total	3,645	147

34. Expenditure in foreign currency (on accrual basis)

Particulars	Value Rupees in ('000)	
	2014-15	2013-14
Selling & Marketing Expenses - Export Commission	99	142
Support Charges	4,729	2,463
Royalty	1,639	1,654
Legal & Professional Charges	-	227
Travelling & Conveyance - Foreign Travelling	18	54
Total	6,485	4,540

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

Particulars	Percentage of Total Consumption		Value Rupees in ('000)	
	2014-15	2013-14	2014-15	2013-14
Raw Materials Consumed				
Imported	-	-	-	-
Indigenously obtained	100%	100%	217,837	215,722
	100%	100%	217,837	215,722
Stores and Spares (Including booked under Repair and Maintenance)				
Imported	5%	-	1,179	917
Indigenously Obtained	95%	100%	22,716	25,092
	100%	100%	23,895	26,009
Packing Material Consumed				
Imported	-	-	-	-
Indigenously Obtained	100%	100%	19,836	18,068
	100%	100%	19,836	18,068

36. Earnings in foreign currency (on accrual basis)

Particulars	Value Rupees in ('000)	
	2014-15	2013-14
F.O.B. value of Exports	2,207	3,477

37. Unhedged foreign currency exposure as at the reporting date

Particulars	Value in ('000)	
	2014-15	2013-14
Export trade receivable	US \$ 2 Rs.128	US \$ 32 Rs.1,925
Export Commission	US \$ 2 Rs. 99	US \$ 2 Rs. 142
Support Service Charges	Euro 17 Rs. 1,208	Euro 12 Rs. 1,042
Exchange Rates	March 31, 2015	March 31, 2014
US \$	62.59	59.48
Euro	67.51	81.37

38. There has been significant decline in demand for the Company's products resulting in sharp drop in the capacity utilization and increased plant shutdowns during the year. Further, the future business plan and projections of the Company also depicted excess capacity available leading to likelihood of certain fixed assets being rendered idle. Accordingly, in the previous year, the management had assessed an impairment of the said assets and provided an impairment provision of Rs. 74,297 ('000).

As per the report from an external expert, the management believes that no further impairment is likely. Further, the holding company has committed to provide continued operational and financial support in the foreseeable future to enable the Company to operate and settle its obligations as they become due. Further, the Company has sufficient liquid funds as at the balance sheet date. Management believes that its business plans for the future are profitable and would strengthen the financial position of the Company in the coming years. Accordingly, these financial

statements have been prepared on going concern assumption and do not include any adjustments relating to the recoverability and classification of carrying amounts of assets and the amount of liabilities that might result should the Company be unable to continue as a going concern.

39. 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, the transfer of said flats in the name of buyer is still pending. The transfer is subject to necessary approvals from the local authorities. These said assets were fully depreciated and recorded under 'Fixed Assets held for Sale' in the financial statements at nominal value.
40. In respect of sales made to a foreign party in Iran amounting to Rs. 11,253('000), the collection of such amount is under process since Feb, 2015 due to internal processing by bank. The management is confident for the realization of such amount shortly.
41. The Company has entered into domestic and international transactions with related parties. The Company has a policy of maintaining documents as prescribed by the Income-tax Act, 1961 to prove that these domestic and international transactions are at arm's length and believes that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation for year ended March 31, 2015.

42. Previous year comparatives

The Company has reclassified previous year figures to conform to this year's classification.

As per our report of even date

For S.R. Batliboi & Co. LLP
Firm Registration No.: 301003E
Chartered Accountants
Sd/-

Per Amit Gupta

Partner

Membership No. 501396

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

Sd/-

Dara P Mehta
Chairman/Director

Sd/-

Frank Heinz Lelek
Managing Director

Sd/-

Brijesh Arora
Joint Managing Director

Sd/-

Shivangi Negi
CFO

Sd/-

Sarvesh Kr. Upadhyay
Company Secretary

Place : Gurgaon
Date : 21st May, 2015

Place : Noida
Date : 21st May, 2015

FORM NO. MGT- 11
27TH ANNUAL GENERAL MEETING

PROXY FORM

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

INSILCO LIMITED

CIN: L34102UP1988PLC010141

Regd Office: A-5, UPSIDC Industrial Estate, 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): _____	E-mail Id: _____
Registered address: _____	Folio No/ Client Id: _____
DP ID: _____	

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

- Name: Address:
E-mail Id: Signature:....., or failing him
- Name: Address:
E-mail Id: Signature....., or failing him
- 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 27th Annual General Meeting of the Company, to be held on Wednesday, the 12th day of August, 2015 at 10.30 a.m. at the Registered Office of the Company at A-5, UPSIDC Industrial Estate, Bhartiagram, Gajraula-244223, Uttar Pradesh and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution Nos.		Optional*	
		For	Against
Ordinary Business			
1	Adoption of Balance Sheet of the Company as at 31 st March, 2015 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. Frank Heinz Lelek, who retires by rotation and being eligible offers himself for re-appointment.		
3	Appointment of Director in place of Dr. Mustafa Siray, who retires by rotation and being eligible offers himself for re-appointment.		
Special Business			
4	Ratification of appointment of M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, (Firm Registration No. with ICAI – 301003E) as Statutory Auditor of the Company from the conclusion of 27 th Annual General Meeting until conclusion of 28 th Annual General Meeting.		
5	Appointment of Ms. Meng Tang as Director of the Company.		
6	Appointment of Mr. Brijesh Arora as Director of the Company.		
7	Appointment of Mr. Brijesh Arora as Whole-time Director designated as Joint Managing Director for a period of three years w.e.f. 1 st March, 2015 and approval of his remuneration.		
8	Appointment of Mr. Frank Heinz Lelek as Managing Director for a period of three years w.e.f. 1 st March, 2015.		

9	Approval of Articles of Association of the Company.		
10	Approval of Memorandum of Association of the Company.		

Signed this..... day of..... 2015

Signature of shareholder (s)

Signature of Proxy holder(s)



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

CIN: L34102UP1988PLC010141

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

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

27TH ANNUAL GENERAL MEETING

ATTENDANCE SLIP

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

Name of Member/Members.....

Name of Proxy.....

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

I hereby register my presence at the 27th Annual General Meeting held on 12th August, 2015 at 10.30 a.m. at Registered Office of the Company situated at A-5, UPSIDC Industrial Estate, Bhartiagram, Gajraula - 244223, Uttar Pradesh.

Member(s)/Proxy's signature

*Applicable for the investors holding shares in electronic form.

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

Green Initiative

The Companies Act, 2013 ('the Act') effective from 1st April, 2014, permits the Companies to send the Notice/documents including Annual Reports through electronic mode to all those shareholders whose email addresses are registered with the Company or their respective Depository Participants. Members who intend to receive notice/documents including Annual Reports through email are requested to register/update their email addresses for receiving electronic communications.

REGISTERED BOOK-POST

If undelivered please return to :

INSILCO LIMITED

"The Corenthum"

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