



EVONIK
INDUSTRIES

Enhanced
cleaning toothpaste



Efficient
animal nutrition



Reduce usage
of pesticides through
smart formulations

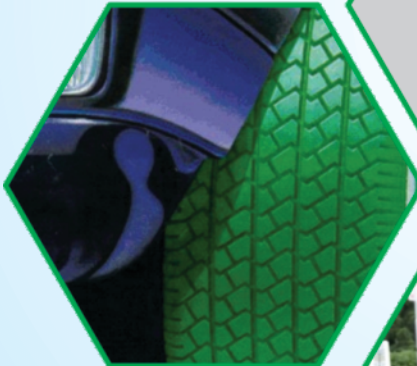


Improved mechanical and
physical performance



Beauty and wellness

New performance
standards of green tyres

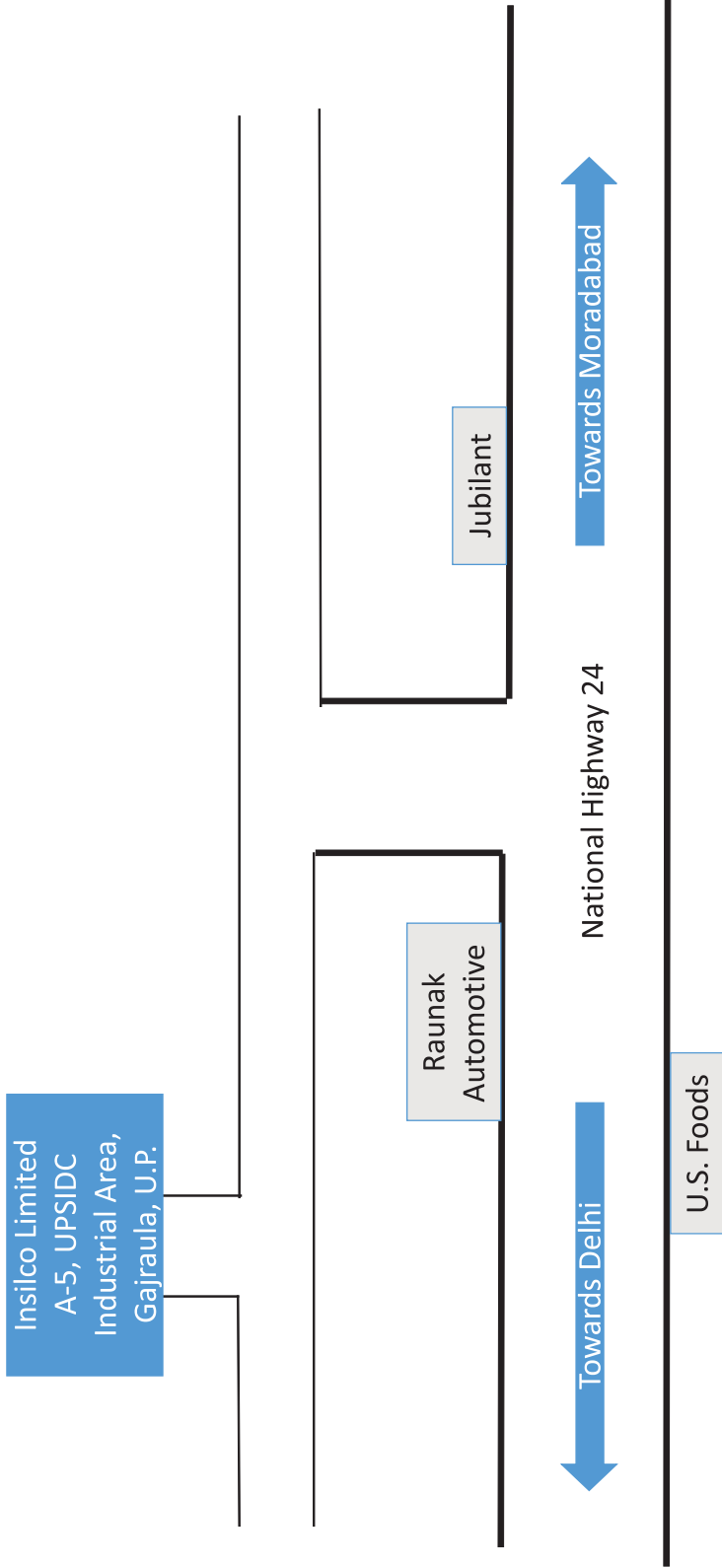


Improved
performance in shoe soles



INSILCO LIMITED
28th Annual Report 2015-16

Route map to reach at AGM of Insilco Limited



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

CORPORATE INFORMATION(As on 31st March 2016)**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 AND SHARE TRANSFER AGENT

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

COMPANY'S WEBSITE

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

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

Day & Date	:	Monday, 26th September 2016
Time	:	10.30 a.m.
Venue	:	Insilco Limited A-5, UPSIDC Industrial Estate Bhartiagram, Gajraula - 244223 Uttar Pradesh

to transact the following business: -

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March 2016 and the Profit & Loss Account for the year ended on that date along with the Reports of the Directors and Auditor thereon.
2. To appoint a Director in place of Mr. Brijesh Arora (DIN: 00952523), who retires by rotation and being eligible offers himself for re-appointment.
3. **Appointment of M/s. S.R. Batliboi & Co. LLP, Chartered Accountants as Statutory Auditor**

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

“RESOLVED THAT pursuant to the provisions of Section 139 and all other applicable provisions, if any, of the Companies Act, 2013 and rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, (Firm Registration No. with ICAI – 301003E/E300005) be and is hereby appointed as Statutory Auditor of the Company for a term of five years i.e. from the conclusion of 28th Annual General Meeting till the conclusion of 33rd Annual General Meeting of the Company (subject to ratification of their appointment by the Members at every Annual General Meeting), on such remuneration as agreed between the Audit Committee/Board of Directors and the Statutory Auditor.

SPECIAL BUSINESS

4. **Appointment of Ms. Sonia Prashar as a Director**

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

“RESOLVED THAT pursuant to the provisions of Section 161 of the Companies Act, 2013, applicable provisions of the Articles of Association of the Company and any other provisions as may be applicable for the time being in force, Ms. Sonia Prashar, who was appointed as an Additional Director (Independent Non-executive Director) of the Company by the Board of Directors with effect from 4th August 2016 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. Sonia Prashar for the office of Director, be and is hereby appointed as a Director (Independent Non-executive Director) of the Company for a non-rotational term of upto five consecutive years.

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.”

5. **Appointment of Mr. Christian Schlossnikl as a Director**

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

“RESOLVED THAT Pursuant to the provisions of Section 161 of the Companies Act, 2013, applicable provisions of Articles of Association of the Company and any other provisions as may be applicable for the time being in force, Mr. Christian Schlossnikl, who was appointed as an Additional Director (Non-executive) of the Company by the Board of Directors with effect from 4th August, 2016 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. Christian Schlossnikl for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.

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

6. Appointment of Mr. Harishkumar K. Davey as a Director

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

“RESOLVED THAT pursuant to the provisions of Section 161 of the Companies Act, 2013, applicable provisions of the Articles of Association of the Company and any other provisions as may be applicable for the time being in force, Mr. Harishkumar K. Davey, who was appointed as an Additional Director of the Company by the Board of Directors with effect from 4th August 2016 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. Harishkumar K. Davey for the office of Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.

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

7. Appointment of Mr. Brijesh Arora as Managing Director

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

“RESOLVED THAT subject to the provisions of Section 196, 197, 203 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 Managing Director of the Company for a period of 5 years with effect from 4th August 2016 at a remuneration not exceeding Rs. 8,400,000/- per annum as per breakup of salary/remuneration as decided by the Board.

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. Approval of material related party transactions with Evonik Resource Efficiency GmbH

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

“RESOLVED THAT pursuant to the provisions of clause 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/or any other applicable provisions as may be applicable for the time being in force, approval of the members of the Company be and are hereby accorded to enter into related party transaction(s) including material related party transaction(s) from time to time as per details given below:

Name of related party	Relationship	Nature of transaction(s)	Amount of transaction(s)
Evonik Resource Efficiency GmbH	A subsidiary to holding Company to which Insilco Ltd. is also a Subsidiary (Fellow Subsidiary)	Sales	Upto Rs. 15 Crores in a Financial Year

RESOLVED FURTHER THAT the Board and Audit Committee be and are hereby severally authorised to do all such acts, deeds and things and to execute or authorise any person to execute all such documents, instruments and papers as may be considered necessary, relevant usual, customary, proper for giving effect to this resolution.”

By Order of the Board
Sd/-

Sarvesh Kumar Upadhyay
Company Secretary

Place : Noida

Date : 4th August 2016

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 17th September 2016 to 26th September 2016 (both days inclusive) in terms of Section 91 of the Companies Act, 2013.
8. Members are requested to send their queries, if any, to reach the Company's Registered Office at least 10 days before the date of the meeting so that information can be made available at the meeting.
9. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 in respect of businesses at item no. 3 to 8 is enclosed.
10. Voting through Electronic means

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 28th 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, fill up the following details in the appropriate boxes:

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

- iv) Enter the image verification as displayed and click on Login.
- v) If you are holding shares in Demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.
- vi) If you are first time user, follow the steps given below:

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

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

- x) Click on the relevant EVSN on which you choose to vote.
- xi) On the voting page, you will see “Resolution Description” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xii) Click on the “Resolutions File Link” if you wish to view the entire Resolution details.
- xiii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- xv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- xvi) If Demat account holder has forgotten the 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.
- xvii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xviii) Note for Non-Individual Shareholders & Custodians:
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they should create compliance user using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com under help section or write an email to helpdesk.evoting@cdslindia.com.
- xx) The voting period begins on 23rd September 2016 (9.00 a.m.) and ends on 25th September 2016 (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 20th September 2016, 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 20th September 2016.
- xxii) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. 20th September 2016 may follow the same instructions as mentioned above for e-Voting.
- xxiii) 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.
- xxiv) The Scrutinizer shall immediately after the conclusion of voting at the AGM first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two (2) witnesses not in employment of the Company and make, not later than three days of conclusion of the meeting, a consolidated scrutiniser’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall declare the results of the voting forthwith.
- xxv) The results declared along with the report of the scrutinizer shall be placed on the website of the Company www.insilcoindia.com and on the website of CDSL 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 2016 and the notice of 28th 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 2016 and Notice of 28th AGM are being sent by the permitted mode.

13. The Company is concerned about the environment and utilizes natural resources in a sustainable way. We request you to update your email address with your Depository Participant to enable us to send you any future communications from the Company via email.
14. As required under Clause 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter in this report referred as 'Listing Regulations'), the particulars of Directors seeking appointment/re-appointment are given in the **Annexure-A**.
15. Under the provisions of Section 72 of the Companies Act, 2013, shareholder(s) is/are entitled to nominate in the prescribed manner, a person to whom his/her/their shares in the Company, shall vest in the event of his/her/their death. Members who are holding shares in physical form and are interested in availing this nomination facility are requested to write to the Company.
16. Copies of all documents referred to in the Notice 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.
18. The route map to reach the venue of the Annual General Meeting is also given in the Annual Report for the ready reference of the Members.

EXPLANATORY STATEMENT

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

Item No. 3

Appointment of M/s. S.R. Batliboi & Co. LLP, Chartered Accountants as Statutory Auditor

The members may be informed that in the 26th AGM they had appointed M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, (Firm Registration No. with ICAI – 301003E/E300005) as Statutory Auditor of the Company for their first term of two years to hold the office from the conclusion of 26th Annual General Meeting till the conclusion of 28th Annual General Meeting of the Company. Consequently, the first term of two years of Statutory Auditor is coming to an end at the conclusion of 28th Annual General Meeting.

Being eligible for the second term of five years, M/s. S.R. Batliboi & Co. LLP, Chartered Accountants has expressed their willingness to act as Statutory Auditor of the Company and has provided the requisite documents as required under the Companies Act, 2013 and Listing Regulations. In view of the same, it is proposed to appoint M/s. S.R. Batliboi & Co. LLP, Chartered Accountants as Statutory Auditor of the Company for their second terms of five years.

The Audit Committee and the Board of Directors in their respective meetings held on 4th August 2016 have approved the appointment of M/s. S.R. Batliboi & Co. LLP, Chartered Accountants (Firm Registration No. with ICAI – 301003E/ E300005) as Statutory Auditor of the Company, subject to approval from members of the Company, for their second term of five years i.e. from the conclusion of 28th Annual General Meeting till the conclusion of 33rd Annual General Meeting of the Company (subject to ratification of their appointment by the Members at every Annual General Meeting).

The Board recommends the resolution set forth in item no. 3 for approval of the members.

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

Item No. 4 - 6

Appointment of Ms. Sonia Prashar, Mr. Christian Schlossnikl and Mr. Harishkumar K. Davey as Director

Pursuant to the provisions of Section 161 of the Companies Act, 2013, Ms. Sonia Prashar, Mr. Christian Schlossnikl and Mr. Harishkumar K. Davey were appointed as Additional Directors w.e.f. 4th August 2016 by the Board of Directors of the Company to strengthen the Board. They will hold office as Additional Directors upto the date of this Annual General Meeting.

Ms. Sonia Prashar was appointed in the category of Independent Non-executive Director. Pursuant to the provisions of section 149(10) of the Companies Act, 2013, an Independent Director shall hold the office for a term upto five consecutive years. Thus, Ms. Sonia Prashar is proposed to be appointed for a non-rotational term of upto five consecutive years from the date of her appointment i.e. 4th August 2016. Ms. Sonia Prashar is Graduate in Science and Bachelor of Education from Delhi University. She is also Graduate in German Language from Goethe Institute. Ms. Prashar has approx. 20 years of rich and versatile experience and working in Indo-German Chamber of Commerce (IGCC) since 1996. She is currently designated as Deputy Director General of IGCC. Before this position, she has served IGCC as Director - Marketing & Trade Fairs. She plays a key role in promoting collaborations and constructive communication between Indian and German companies to develop effective partnership with each other.

Mr. Christian Schlossnikl was appointed in the category of Non-executive Director and his appointment is proposed as a Director liable to retire by rotation. Mr. Christian Schlossnikl is Master of Business Administration (University of Krems), Postgraduate course of Business Administration and Law (Technical University of Vienna) and has done a course of Plastics Technology (Montanistic University of Leoben). He has approx. 29 years of rich and versatile experience and currently designated as Senior Vice President Production and Engineering (Silica) at Evonik Resource Efficiency GmbH.

Mr. Harishkumar K. Davey was appointed in the category of Executive Director and his appointment is proposed as a Director liable to retire by rotation. Mr. Davey is a Chemical Engineer and also possess Master's degree in Marketing Management. He is also an Alumni of Kellogg (Executive Education) and ISB (Executive Education).

Mr. Davey has approx. 35 years of rich and versatile experience. He has worked as a country manager for Eastman Chemical Company. In 1996, he took on the positions of Managing Director for South Asia as well as Director of Corporate Development and worked in both India and the USA. He has held the position of president of Strategy & Business Development at Reliance Industries Limited since 2010, where he was responsible for evaluating global megatrends and their impact as growth drivers with the aim of generating sustainable, profitable growth.

The Company has also received a notice proposing the candidature of Ms. Sonia Prashar, Mr. Christian Schlossnikl and Mr. Harishkumar K. Davey for the office of Director of the Company along with deposit of Rs. 1 Lac for each Director under section 160 of the Companies Act, 2013.

The Board of Directors consider that in view of the background and experience of above Directors, it would be in the interest of the Company to appoint them as Directors of the Company.

The draft terms and conditions of appointment of above Directors 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 Annual General Meeting.

As required by Clause 36 of Listing Regulations, the information pertaining to said Directors are attached as **Annexure-A** to this notice.

The Board recommends the resolutions under item no. 4 to 6 for approval by the Members. None of the Directors, Managers, Key Managerial Personnel & their relatives, except appointee Directors, are concerned or interested, financial or otherwise, in this resolution.

Item No. 7

Appointment of Mr. Brijesh Arora as Managing Director

The members of the Company are hereby informed that Mr. Frank Heinz Lelek had resigned from the position of Managing Director w.e.f. closing of working hours of 19th June 2016. After due consideration and pursuant to the provisions of Section 196, 197 and 203 read with schedule V and any other applicable provisions of the Companies Act, 2013, Mr. Brijesh Arora was appointed as Managing Director of the Company at a remuneration as mentioned in the resolution, subject to the approval of Shareholders, for a period of 5 years with effect from 4th August 2016. Before appointment of Mr. Brijesh Arora as Managing Director, Mr. Brijesh Arora was positioned as Whole-time Director designated as Joint Managing Director of the Company with effect from 1st March 2015.

Mr. Brijesh Arora is Master of Business Administration and Alumnus of the Indian Institute of Management, Calcutta (IIMC)'s Senior Management Program (SMP). He has also done Chartered Accountancy Course from the Institute of Chartered Accountants of India (ICAI), Master of Financial Analysis (MFA) from Institute of Chartered Financial Analyst (ICFAI), Company Secretary course from Institute of Company Secretaries of India (ICSI). He has successfully completed Executive Development Programme-Advanced (EDP Advanced module) of Evonik. Mr. Brijesh Arora is having approx. 24 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 9 years at different senior positions.

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

The members may note that the Nomination and Remuneration Committee and Board of Directors in their respective meetings held on 4th August 2016, had approved the appointment of Mr. Brijesh Arora as Managing Director of the Company with effect from 4th August, 2016 for 5 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 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 Annual General Meeting.

As required by clause 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the particulars of Mr. Brijesh Arora, who is seeking appointment as 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 no. 7 for approval by the Members by way of Special Resolution. None

of the Directors, Manager, 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
Approval of material related party transactions with Evonik Resource Efficiency GmbH

During the Financial Year 2015-16, your Company has entered into certain transactions of sales with Evonik Resource Efficiency GmbH which is a Related Party as defined under section 2(76) of the Companies Act, 2013. These transactions may also be entered from time to time as and when required. The proposed amount for which approval of members are sought is maximum of maximum of upto Rs. 15 Crore in a Financial Year which is of value exceeding 10% of the annual turnover of the Company as per the last audited financial statement.

All transactions entered/proposed to be entered into by the Company with M/s. Evonik Resource Efficiency GmbH are/will be in the ordinary course of business and at arm's length basis.

Clause 23 of the Listing Regulations and policy of the Company on related party transactions define term "material related party transaction". It provides that all related party transactions shall be considered "material" if the transaction(s) entered/ to be entered into individually or taken together with previous transactions during a financial year exceeds ten percent of the annual consolidated turnover of the Company as per the last audited financial statement of the Company. Such material related party transactions requires approval of members of the Company through Ordinary Resolution and the related parties shall abstain from voting on such resolution whether they are related party to the particular transaction or not.

Members may please note that based on the criteria as mentioned above in the Listing Regulations, transactions entered/ to be entered into by the Company with Evonik Resource Efficiency GmbH are "Material" and therefore requires approval of members by way of Ordinary Resolution.

The aforesaid transaction has already been approved by the Audit Committee of the Company and it has extended its gratitude to M/s Evonik Resource Efficiency GmbH for providing sales to the Company and helping the Company to strengthen its financial position.

The Board recommends the resolution set forth in item no. 8 for approval of the members.

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

Annexure-A
Details of the Directors seeking appointment / re-appointment at the 28th AGM (Pursuant to Clause 36 of Listing Regulations)
1. Name of the Director : Mr. Brijesh Arora

Date of Birth	2 nd February 1970
Date of appointment	1 st March 2015
Qualifications	Master of Business Administration, 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. 24 years of rich and versatile experience in different fields of Business Management, Controlling, Finance, Accounts, Legal and Compliances. He is associated with your Company for more than 9 years at different senior positions.
Directorships in other listed companies	Nil
Memberships / Chairmanships of Committees in other listed Companies	Nil
Memberships / Chairmanships of Committees in the Company	Chairman – Share Transfer Committee Member – Stakeholders' Relationship Committee Member – Complaints Committee (under Sexual Harassment Policy) Member – Committee for Determining Materiality of an event or information
Shareholding, if any, in the Company	Nil
Disclosure of relationship between Directors inter-se	Not related to any director of the Company.

2. Name of the Director : Ms. Sonia Prashar

Date of Birth	21 st September 1972
Date of appointment	4 th August 2016
Qualifications	Graduate in Science and Bachelor of Education from Delhi University. She is also Graduate in German Language from Goethe Institute.
Expertise in specific functional area	Approx. 20 years of rich and versatile experience including representing the Indo-German Chamber of Commerce at various national / international events. Effectively promoting collaborations and constructive communication between Indian and German Companies to develop effective partnership with each other. Developing successful networking channels for the access, sharing and dissemination of information with leading Indian & German Industry Associations / Government Bodies.
Directorships held in other listed companies	Nil
Memberships / Chairmanships of Committees in other listed Companies	Nil
Memberships / Chairmanships of Committees in the Company	Member – Audit Committee Member – Nomination and Remuneration Committee Member – Share Transfer Committee
Shareholding, if any, in the Company	Nil
Disclosure of relationship between Directors inter-se	Not related to any director of the Company.

3. Name of the Director : Mr. Christian Schlossnikl

Date of Birth	23 rd March 1961
Date of appointment	4 th August 2016
Qualifications	Master of Business Administration (University of Krems), Postgraduate course of Business Administration and Law (Technical University of Vienna) and Course on Plastics Technology (Montanistic University of Leoben).
Expertise in specific functional area	Approx. 29 years of versatile experience with expertise in production and engineering. He is serving Evonik since 2001 in various important roles. Before Evonik, he has served various corporates with functional area including Head of project for technological and market possibilities of new cellulosic products, global search for cooperation partners and Technical Director for Production of Polyester films and sheets.
Directorships held in other listed companies	Nil
Memberships / Chairmanships of Committees in other listed Companies	Nil
Memberships / Chairmanships of Committees in the Company	Member – Nomination and Remuneration Committee
Shareholding, if any, in the Company	Nil
Disclosure of relationship between Directors inter-se	Not related to any director of the Company.

4. Name of the Director : Mr. Harishkumar K. Davey

Date of Birth	11 th June 1958
Date of appointment	4 th August 2016
Qualifications	Chemical Engineer and also possess Master's degree in Marketing Management. He is also an Alumni of Kellogg (Executive Education) and ISB (Executive Education).
Expertise in specific functional area	Mr. Davey has approx. 35 years of rich and versatile experience. He has worked as a country manager for Eastman Chemical Company. In 1996, he took on the positions of Managing Director for South Asia as well as Director of Corporate Development and worked in both India and the USA. He has held the position of president of Strategy & Business Development at Reliance Industries Limited since 2010, where he was responsible for evaluating global megatrends and their impact as growth drivers with the aim of generating sustainable, profitable growth.
Directorships held in other listed companies	Nil

Memberships / Chairmanships of Committees in other listed Companies	Nil
Memberships / Chairmanships of Committees in the Company	Member – Audit Committee Member – Nomination and Remuneration Committee Member – Stakeholders' Relationship Committee Member – Complaints Committee (Under prevention of Sexual Harassment Policy)
Shareholding, if any, in the Company	Nil
Disclosure of relationship between Directors inter-se	Not related to any director of the Company.

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 31.03.2016	Year Ended 31.03.2015
		Gross Turnover	803	632
		Other Income	28	46
		Total Expenditure (including excise duty)	(799)	(652)
		Profit before Depreciation & Exceptional Items	32	26
		Depreciation	(13)	(12)
		Profit/ (Loss) for the year before exceptional items	19	14
		Exceptional items	-	-
		Profit/(Loss) before tax	19	14
		(Provision for)/Release of Taxation	(4)	-
		Profit/(Loss) after tax	15	14
		Earning Per Share (EPS)	0.24	0.23
Dividend Rate (in %)	Nil	Nil		
5	Export performance and net foreign exchange collaborations	Rs. in '000		
		Particulars	2015-2016	2014-2015
		F.O.B. Value of Exports	5,140	2,207
		Earnings in Foreign Currency (on accrual basis)	5,140	2,207
		Ependiture in Foreign Currency (on accrual basis)	7,556	6,485

6	Foreign investments or collaborators	<p>The Company has not made any investment outside India.</p> <p>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, 2016 the total foreign equity share holding (including shareholding of holding Company) in the Company was 73.46%.</p> <p>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 Master of Business Administration and Alumnus of the Indian Institute of Management, Calcutta (IIMC)'s Senior Management Program (SMP). He has also done Chartered Accountancy Course from the Institute of Chartered Accountants of India (ICAI), Master of Financial Analysis (MFA) from Institute of Chartered Financial Analyst (ICFAI), Company Secretary course from Institute of Company Secretaries of India (ICSI). He has successfully completed Executive Development Programme-Advanced (EDP Advanced module) of Evonik. Mr. Brijesh Arora is having approx. 24 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 9 years at different senior positions. Before appointment as Managing Director, Mr. Brijesh Arora was positioned as Whole-time Director designated as Joint Managing Director of the Company with effect from 1st March 2015.</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. 5,095,858/- per annum; and</p> <p>(b) As per policy of the Company, Mr. Brijesh Arora was also eligible for:</p> <ul style="list-style-type: none"> - 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. - Leave Encashment as per rules of the company. - Hard furnishing scheme as per rules of the company with entitlement upto Rs. 5.00 Lacs during the tenure of service (including Hard furnishing availed prior to appointment as director). - Long Service Award as per rules of the company. <ul style="list-style-type: none"> I. Payable after completion of 10 years of continuous service Rs. 500,000. II. Payable after completion of 20 years of continuous service Rs. 750,000. - Coverage of Rs. 12 Lacs under Group Personal Accident Insurance Policy. - Coverage of Rs. 2.25 Lacs under Group Mediclaim Family Floater Policy. - Use of Company owned & maintained Car. - Continuation of existing housing loan interest subsidy (loan availed before appointment as director) as per rules of the company. - Group Saving Linked Insurance as per rules of the Company. - Retirement Benefits as per the applicable laws and rules/policies of the company in this regard.

3	Recognition or awards	Letter of Recognition for optimization of Investments in Insilco Ltd.
4	Job profile and his suitability	<p>As a Managing Director, Mr. Brijesh Arora is responsible for overall supervision and control of operations of the Company and to take all kinds of decision for business operations.</p> <p>Mr. Brijesh Arora has rich experience of approx. 24 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 9 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 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 Managing Director of the Company, the remuneration of Mr. Brijesh Arora compares favourably with the remuneration paid to Managing Directors of Companies in similar industry, like sized and similarly positioned businesses.
7	Pecuniary relationship directly or indirectly with the Company or Relationship with the managerial personnel, if any	<p>Mr. Brijesh Arora does not have, directly or indirectly, any pecuniary relationship with the Company, except in his position as Managing Director of the Company.</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. The Company is actively looking for option to install "Coal Fired Hot Air Unit" at its plant to reduce the energy costs and pursuing all growth opportunities so as to improve the results.
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.

Place : Noida
Date : 4th August 2016

By Order of the Board
Sd/-
Sarvesh Kumar Upadhyay
Company Secretary

DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 28th Annual Report together with the Audited Accounts for the Financial Year ended March 31, 2016.

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 E-mail : helpdeskdelhi@mcsregistrars.com

II. Principal Business Activity of the Company

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

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

III. Particulars of Holding, Subsidiary and Associate Companies

Name 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 Share holding 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	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (B)(1)	330	37,410	37,740	0.06	330	37,410	37,740	0.06	0.00
(2)	Non-institutions									
(a)	Bodies Corporate									
(i)	Indian	2,548,628	82,880	2,631,508	4.20	2,542,830	82,880	2,625,710	4.19	0.01
(ii)	Overseas	165,080	0	165,080	0.26	165,080	0	165,080	0.26	0.00
(b)	Individuals									
	(i) Individual shareholders holding nominal share capital up to Rs 1 lakh	7,768,846	2,727,622	10,496,468	16.74	8,608,906	2,673,157	11,282,063	17.99	1.25
	(ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	3,428,212	0	3,428,212	5.47	2,697,183	0	2,697,183	4.30	1.17
(c)	Any Other									
	(i) NRIs	101,407	1,270	102,677	0.16	52,639	1,270	53,909	0.09	0.07
	Sub-Total (B)(2)	1,4012,173	2,811,772	16,823,945	26.83	14,066,638	2,757,307	16,823,945	26.83	0.00
	Total Public Shareholding (B)= (B)(1)+(B)(2)	14,012,503	2,849,182	16,861,685	26.89	14,066,968	2,794,717	16,861,685	26.89	0.00
	GRAND TOTAL (A)+(B)	14,012,503	48,702,497	62,715,000	100	14,066,968	48,648,032	62,715,000	100	0.00

ii) Shareholding of promoters

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

iii) Change in Promoters' Shareholding : There was no change in the promoters' Shareholding during the Financial Year 2015-16.

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

v) **Shareholding of Directors and Key Managerial Personnel:** Directors or Key Managerial Personnel did not have any shareholding in the Company during the Financial Year 2015-16.

V. Indebtedness

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

VI. Remuneration of Directors and Key Managerial Personnel:

A. Remuneration to Managing Director and Whole-time Director

(Amount in Rs.)

S. No.	Particulars of Remuneration	Name of Managing Director (MD)/ Whole-time Director (WTD)		Total
		Mr. Frank Heinz Lelek (MD) ¹	Mr. Brijesh Arora (WTD)	
1	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	-	3,676,800	3,676,800
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	-	103,841	103,841
	(c) Profits in lieu of salary under section 17(3) of Income-tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
	Commission			
	a. As % of profit	-	-	-
	b. Other, specify	-	-	-
5	Other, please specify	-	-	-
	Total (A)	-	3,780,641	3,780,641
	Ceiling as per the Act ²	8,400,000	8,400,000	16,800,000

B. Remuneration to Other Directors

(Amount in Rs.)

Particulars of Remuneration	Name of Directors						Total
	Independent Directors			Non-executive Directors			
	Mr. Dara Phirozeshaw Mehta	Mr. Guido Johannes Christ	Total Remuneration	Dr. Mustafa Siray	Ms. Meng Tang	Total Remuneration	
1. Independent Directors							
a. Fee for attending Board & Committee Meetings	410,000	300,000	710,000	-	-	-	710,000
b. Commission	-	-	-	-	-	-	-

1. Mr. Frank Heinz Lelek was appointed as MD w.e.f. 1st March 2015 and he opted not to receive any remuneration.

2. 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, Gratuity payable at a rate not exceeding half a month's salary for each completed year of service and encashment of leave at the end of the tenure.

C. Overall managerial remuneration and ceiling³
(Amount in Rs.)

Total Managerial Remuneration	3,780,641
Overall Ceiling as per the Act	16,800,000

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

S. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		Ms. Shivangi Negi (CFO)	Mr. Sarvesh Kr. Upadhyay ⁴ (Company Secretary)	
1	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	971,760	867,113	1,838,873
	(b) Value of perquisites u/s 17(2) of Income-tax Act, 1961	52,500	-	52,500
	(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)	1,024,260	867,113	1,891,373

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 2015-16 on 21st May 2015, 12th August 2015, 4th November 2015 and 4th February 2016.

3. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors' state that;

- in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- 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;
- 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;
- the directors had prepared the annual accounts on a going concern basis;
- 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
- 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.

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

4. Mr. Sarvesh Kr. Upadhyay was appointed as Company Secretary w.e.f. 21st May 2015.

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

Pursuant to Section 178(1) of the Companies Act, 2013 and Clause 19 of Securities and Exchange Board of India (Listing Regulations and Disclosure Requirements) Regulations, 2015 (hereinafter in this report referred as "Listing Regulations") applicable w.e.f. 1st December 2015 (Clause 49 as per previous Listing Agreement with the Stock Exchange), the Board of Directors has constituted a Nomination and Remuneration Committee. A Nomination and Remuneration Policy of the Company has also been laid down and approved by the Nomination and Remuneration Committee and the Board. The said policy lays down the criteria for the appointment of Directors, Key Managerial Personnel and Senior Management Personnel. The said policy also specifies the appointment and remuneration including criteria for determining qualification, term/tenure, positive attributes, independence of Directors, criteria for performance evaluation of Executive and Non-executive Directors (including Independent Directors), removal, policy on Board diversity, Directors and Officers' Insurance and other matters as prescribed under the provisions of the Companies Act, 2013 and Listing Regulations. The said policy of the Company is attached as **Annexure-2** 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 2015-16. The Secretarial Audit Report issued by the said firm is attached to this report as **Annexure-3**.

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

(i) BY STATUTORY AUDITOR

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

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

The members are hereby informed that Secretarial Audit Report was a qualified report. The qualification and comments of the Board on the same are as follows:

Qualification

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreements etc. mentioned above except as following:

Regulation 31(2) of the SEBI (Listing Regulations And Disclosure Requirements) Regulations, 2015, implemented with effect from December 1, 2015, mandates that listed entities should ensure that 100% of shareholding of promoter(s) and promoter group is in dematerialized form and the same is maintained on a continuous basis in the manner specified by SEBI.

Comments by the Board

The promoter of the Company i.e. Evonik Degussa GmbH had applied for change of its name in PAN from Degussa AG to Evonik Degussa GmbH so that Demat account can be opened in the present name. As informed to the Company, the PAN with present name was issued by the Income Tax Department, however, it did not reach to the promoter. This led to delay in opening the Demat account as the original PAN with the present name is one of the mandatory documents for opening a Demat account.

The Board of your Company is taking this very seriously and the promoter is being followed up regularly so that Regulation 31(2) of the SEBI (Listing Regulations And Disclosure Requirements) Regulations, 2015 can be complied with. It will be complied with as soon as the promoter is able to open the Demat account.

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

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

8. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

Particulars of Contracts or arrangements with related parties are given in form AOC 2 which is attached as **Annexure-4** to this report.

Pursuant to the provisions of the Companies Act, 2013 and Clause 23 of the Listing Regulations, the Board has laid down a policy on dealing with related party transactions and the same is available on the website of the Company at the following link: www.insilcoindia.com → Investors → Policies.

9. THE STATE OF THE COMPANY'S AFFAIRS**A. Financial Highlights**

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

Particulars	Year Ended 31.03.2016	Year Ended 31.03.2015
Gross Turnover	803	632
Other Income	28	46
Total Expenditure (including excise duty)	(799)	(652)
Profit before Depreciation & Exceptional Items	32	26
Depreciation	(13)	(12)
Profit/ (Loss) for the year before exceptional items	19	14
Exceptional items	-	-
Profit/(Loss) before tax	19	14
(Provision for)/Release of Taxation	(4)	-
Profit/(Loss) after tax	15	14

B. Results of Operations

Sales of Precipitated Silica during the year were 12,304 MT as against 9,527 MT in the previous year. The Production during the year was 12,028 MT (previous year 10,062 MT).

Your Company achieved a sales turnover of Rs. 803 Million during the year as compared to Rs. 632 Million in the previous year and recorded a profit before depreciation and exceptional items of Rs. 32 Million as against a profit of Rs. 26 Million in the previous Financial Year. The Company had reserves of Rs. 268 Million as on 1st April 2015. During the year, in accordance with the requirements prescribed under Schedule II and other applicable provisions of the Companies Act, 2013, the Company has identified various components of all plant and machinery. Accordingly, the Company has transferred accumulated depreciation of Rs. 1.7 Million to reserves of the Company resulting in reduction in reserves. The profit for the Financial Year 2015-16 was Rs. 15 Million. Therefore the closing balance of the reserves and surplus as on 31st March 2016 amounted to Rs. 281 Million.

Although the global economic situation deteriorated noticeably as the year progressed, all in all we were nevertheless able to defend and improve our market position. 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, manufacture high quality products, improve plant safety, improve efficiency and higher capacity utilization. We are providing quality product, application and technical support and overall service to the Customers.

C. Future Outlook

The Indian economy is improving and showing potential for growth. The Company continues to enjoy a high standing with its customers because of its quality, value added services and strong technical support from parent Company. Besides, it is actively considering the installation of a "Coal Fired Hot Air Unit" at its plant to reduce the energy costs and pursuing all growth opportunities so as to improve the results. The quality conscious customers are showing faith in our quality products. However, the future growth of the Company will depend upon our ability to optimize our costs by making our products more competitive, increasing capacity utilization, efficiency improvement and the willingness of Customers to pay premium for our high quality products. There are inherent opportunities available for the Company in the target industries such as Tyres, Automotive Components, Mechanical Rubber Goods, Footwear, Agrochemicals and Food. The silica applications in all these industries are growing rapidly. The Company is continuously improving safety, plant condition, efficiency and yield. The Company is actively pushing growth opportunities to use the unutilized production capacity and improve product mix. The initiatives of Government such as Make in India are likely to support our Industry, however, it may take time to get visible.

10. TRANSFER TO RESERVES

The Company had reserves of Rs. 268 Million as on 1st April 2015. During the year the Company has transferred accumulated depreciation of Rs. 1.7 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 2015-16 was Rs. 15 Million. Therefore the closing balance of reserves and surplus as on 31st March 2015 amounted to Rs. 281 Million.

11. DIVIDEND

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

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

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

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

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

B. Technology Absorption**1. The effort made towards technology absorption**

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

2. Benefits derived from the above efforts

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

3. Technology imported during 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 2016	Year ended 31 st March 2015
a) Total Foreign Exchange earned	5,140	2,207
b) Total Foreign Exchange used	7,556	6,485

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 was also formed for identification & assessment of risks and minimization of risks by adopting various measures. The Risk Management Committee was dissolved by the Board in their meeting held on 4th February 2016 as the same was not mandatory after implementation of Listing Regulations w.e.f. 1st December 2015. The terms of reference of the said Committee has been transferred to the Board.

The Company has taken proper initiatives to mitigate risks. In the opinion of the Board there are following risk which could threaten the existence of the Company. These risks were also disclosed in the last year's Annual Report. The Board has taken certain steps to minimize the same and its current status are given below:

1. Risk of HSD (Diesel) prices going up substantially

Current Status of Action Taken :

The Board has approved to switch the source of energy from High Speed Diesel to Coal for drying activity by implementing the Coal Fired Hot Air Unit at Gajraula Plant of the Company. Basic engineering for the same is being done with the help of Evonik Industries AG.

2. Loss of Market Share if our product rates are significantly higher than competitors

Current Status of Action Taken:

To minimize the aforesaid risk, the Company has initiated Basic Engineering for implementing the Coal Fired Hot Air Unit at Gajraula Plant of the Company.

The Company is also following a system of tracking of raw material cost to correlate the prices of Company's purchases.

3. Environmental Risk if stringent norms introduced by government for chemical industry near the Ganga River

Current Status of Action Taken:

Central Pollution Control Board (CPCB) has identified 17 categories of Industries which have highly polluted the river Ganga Basin. We are not a highly polluted industry as per the notified list. The Company has also got the Annual water and air consent from Uttar Pradesh Pollution Control Board (UPPCB) for the Year 2016.

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 THE BOARD, COMMITTEES AND INDIVIDUAL DIRECTORS

The Board has laid down the 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-2** 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 22 of the Listing Regulations, the Company has established a "Whistle Blower Policy" for employees to report to the management instances of unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy.

The said mechanism is available to all the employees of the Company and operating effectively. During the year the Company has not received any complaint through such mechanism. 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 PERSONNEL (KMP)

Change in Directors and KMP

Consequent to the resignation of Ms. Sheetal Saluja as Company Secretary w.e.f. 19th February 2015, Mr. Sarvesh Kumar Upadhyay was appointed as Company Secretary of the Company w.e.f. 21st May 2015. Mr. Sarvesh Kumar Upadhyay is a Commerce Graduate from Delhi University and an associate member of the Institute of Company Secretaries of India. He has also done Bachelor of Law from CCS University, Meerut, Uttar Pradesh, India. He has an experience of more than 9 years in Company Secretarial and legal field.

In the 27th Annual General Meeting held on 12th August 2015, Ms. Meng Tang was appointed as a Director by the Shareholders of the Company as she was holding office as an Additional Director only upto the date of 27th Annual General Meeting. 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 18 years in the field of Research, Development and Marketing. She is presently a Vice President, Head of Business Line Silica, Asia Pacific region at Evonik.

In the 27th Annual General Meeting held on 12th August 2015, Mr. Brijesh Arora was appointed as a Director by the Shareholders of the Company as he was holding office as an Additional Director only upto the date of 27th Annual General Meeting. In the same Annual General Meeting, the Shareholders also approved his appointment as Whole-time Director (designated as Joint Managing Director) for a period of three years starting from 1st March 2015 along with his remuneration. 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 24 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 9 years at different senior positions.

In the 27th Annual General Meeting held on 12th August 2015, the Shareholders of the Company approved the appointment of Mr. Frank Heinz Lelek as Managing Director for a period of three years starting from 1st March 2015. However due to some other assignment in Evonik Industries AG, he has resigned as Managing Director of the Company with effect from closing of working hours of 19th June 2016 and consequently resigned as whole time key managerial personnel. Mr. Lelek continued as Director (non-executive) of the Company till closure of working hours of 4th August 2016 and resigned from that date. The Board records its deep appreciation for the valuable services rendered to the Company by Mr. Lelek during his tenure as its Managing Director and Director respectively.

Dr. Mustafa Siray has resigned as Director of the Company with effect from closing of working hours of 30th June 2016 due to his retirement from the Evonik Group. The Board places on record its deep appreciation for the valuable support and guidance provided by Dr. Siray during his tenure.

To strengthen the Board, the Board has appointed Mr. Christian Schlossnikl as an Additional Director (Non-independent Non-Executive) of the Company with effect from 4th August 2016. Mr. Christian Schlossnikl is Master of Business Administration (University of Krems), Postgraduate course of Business Administration and Law (Technical University of Vienna) and has done a course of Plastics Technology (Montanistic University of Leoben). He has approximately 29 years of rich and versatile experience and is currently designated as Senior Vice President Production and Engineering Silica at Evonik Resource Efficiency GmbH. Mr. Christian Schlossnikl is holding office as an Additional Director up to the date of this Annual General Meeting of the Company. It is proposed to appoint Mr. Christian Schlossnikl as a Director liable to retire by rotation in this Annual General Meeting.

To strengthen the Board, the Board has also appointed Ms. Sonia Prashar as an Additional Director (Independent Non-executive Director) of the Company with effect from 4th August 2016. Ms. Sonia Prashar is a Graduate in Science and a Bachelor of Education from Delhi University. She is also a Graduate in the German Language from the Goethe Institute. Ms. Prashar has approximately 20 years of rich experience and has been working in the Indo-German Chamber of Commerce (IGCC) since 1996. She is currently designated as Deputy Director General of IGCC. Before this position, she has served IGCC as Director - Marketing & Trade Fairs. She plays a key role in promoting collaborations and constructive communication between Indian and German Companies to develop effective partnership with each other. Ms. Sonia Prashar is holding office as an Additional Director up to the date of this Annual General Meeting of the Company. It is proposed to appoint Ms. Sonia Prashar as a Director for a non-rotational term up to five consecutive years from the date of her appointment i.e. 4th August 2016 in this Annual General Meeting.

To strengthen the Board, the Board has also appointed Mr. Harishkumar K. Davey as an Additional Director (Non-Executive Non-Independent Director) of the Company with effect from 4th August 2016. Mr. Harishkumar K. Davey has approx. 35 years of rich and versatile experience. He has worked as a country manager for Eastman Chemical Company. In 1996, he took on the positions of Managing Director for South Asia as well as Director of Corporate Development and worked in both India and the USA. He has held the position of president of Strategy & Business Development at Reliance Industries Limited since 2010, where he was responsible for evaluating global megatrends and their impact as growth drivers with the aim of generating sustainable, profitable growth. Mr. Harishkumar K. Davey is holding office as an Additional Director up to the date of this Annual General Meeting of the Company. It is proposed to appoint Mr. Christian Schlossnikl as a Director liable to retire by rotation in this Annual General Meeting.

To fill the position of Managing Director and whole time key managerial personnel, Mr. Brijesh Arora has been appointed as Managing Director of the Company with effect from 4th August 2016 subject to approval of Shareholders by way of Special resolution. Before appointment of Mr. Brijesh Arora as Managing Director, he was positioned as Whole-time Director designated as Joint Managing Director of the Company with effect from 1st March 2015. He is Master of Business Administration and Alumnus of the Indian Institute of Management, Calcutta (IIMC)'s Senior Management Program (SMP). He has also done Chartered Accountancy Course from the Institute of Chartered Accountants of India (ICAI), Master of Financial Analysis (MFA) from Institute of Chartered Financial Analyst (ICFAI), Company Secretary course from Institute of Company Secretaries of India (ICSI). He has successfully completed Executive Development Programme-Advanced (EDP Advanced module) of Evonik. Mr. Brijesh Arora is having approx. 24 years of rich experience in different fields of Business Management, Controlling, Finance, Accounts, Legal and Compliances. Mr. Brijesh Arora is associated with the Company for more than 9 years at different senior positions. It is proposed to appoint Mr. Brijesh Arora as Managing Director of the Company in this Annual General Meeting.

Term of Independent Directors

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

S. No.	Name of Independent Directors	Date of starting first term	Date of approval in AGM
1	Mr. Dara Phirozeshaw Mehta	1 st April 2014	14 th August 2014
2	Mr. Guido Johannes Christ	29 th April 2014	14 th August 2014
3	Ms. Sonia Prashar ⁵	4 th August 2016	26 th September 2016 (proposed)

Directors retiring by rotation

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mr. Brijesh Arora, Whole-time Director (designated as Joint Managing Director) of the Company shall retire by rotation at the ensuing AGM of the Company and being eligible offer himself for re-appointment. The Board recommends his re-appointment to the members of the Company in the ensuing AGM.

Statement on declaration given by Independent Directors

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

The Board of the Company also confirms that the Independent Directors fulfill the criteria of being Independent Director as specified under the provisions of the Companies Act, 2013.

Familiarization program for Independent Directors

During the Financial Year 2014-15, the Independent Directors were familiarized with the Company by way of a note 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. Thereafter to continue familiarization process of Independent Directors with the Company during the Financial Year 2015-16, a programme was conducted on 4th February 2016. The details of such familiarization programme is 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. Corporate Governance - Disclosures as per provisions of Schedule V, Part II, Section II (B)(IV)

Mr. Brijesh Arora is currently 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)(ii).

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

Ratio of remuneration of Mr. Brijesh Arora to median remuneration of employees during the Financial Year 2015-16 was 12.70:1.

c. Percentage increase in remuneration of each Director and KMP

There was no Director or KMP whose remuneration was increased during the Financial Year 2015-16.

d. Percentage increase in the median remuneration of employees

The percentage increase in the median remuneration of employees in the Financial Year 2015-16 was 5.60%.

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

As on 31st March 2016, your Company had 116 permanent employees on the rolls of the Company. The same does not include contractual employees and trainees.

f. Relationship between average increase in remuneration and Company Performance

The Company achieved a sales turnover of Rs. 803 Million during the Financial Year 2015-16 as compared to Rs. 632 Million in the previous year and recorded a net profit of Rs. 15 Million approx. as against the net profit of Rs. 14 Million approx. respectively. The average increase in remuneration of employees of the Company was 6.86% during the Financial Year 2015-16.

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

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

5. Appointment of Ms. Sonia Prashar is proposed in the ensuing Annual General Meeting for fixing her first term of upto five years with effect from 4th August 2016.

h. Variations in the market capitalization of the Company

Particulars	As on 31 st March 2015 (Rs.) (in Crores)	As on 31 st March 2016 (Rs.) (in Crores)	Variation (Rs.) (in Crores)	Variation (%)
Market Capitalization	108.50	103.79	(-) 4.71	(-) 4.34%

i. Price earning ratio as at the closing date of the Financial Year 2014-15 and 2015-16

Particulars	As on 31 st March 2015	As on 31 st March 2016
Price Earning Ratio (Share price to EPS)	75.22 : 1	68.96 : 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 the Financial Year 2015-16	31.55	21.55	215.5%
Lowest rate in the Financial Year 2015-16	14.20	4.20	42%
Rate as on 31 st March 2016	16.55	6.55	65.5%

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

Particulars	Financial Year 2015-16	Comments
Average percentage increase in the salaries of employee other than Managerial Personnel	7.26%	-
Average percentage Increase in salary of Managerial Personnel (Mr. Brijesh Arora – Joint Managing Director)	0%	Mr. Brijesh Arora was appointed as Joint Managing Director with effect from 1 st March 2015. There was no increase in salary of Mr. Arora during the Financial Year 2015-16.

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

The key parameters for variable component of remuneration of Mr. Brijesh Arora are Safety, Productivity and Management of fixed costs. The same is being paid on the basis of calendar year.

The provision of performance linked incentive/bonus payable to Mr. Brijesh Arora as on 31st March 2016 was Rs. 546,875/-. The Board approved Rs. 420,000/- as performance linked incentive/bonus to Mr. Brijesh Arora till 31st December 2015 which was paid to Mr. Brijesh Arora in April 2016. Accordingly, provision of Rs. 126,875/- pertaining to performance incentive/bonus of Mr. Brijesh Arora for the Financial Year 2015-16 is still unpaid.

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

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

- who was employed throughout the Financial Year 2015-16 and was in receipt of remuneration for that financial year of not less than Rs. 12,000,000/-; or
- who was employed for a part of the Financial Year 2015-16 and was in receipt of remuneration at a rate which was not less than Rs. 850,000/- per month ; or
- who was employed throughout or part of the Financial Year 2015-16 and was in receipt of remuneration in that Financial Year, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the Managing Director or Whole-time Director and holds by himself or along with its spouse and dependent children, not less than two percent of the equity shares of the Company.

Top ten employees in terms of remuneration drawn during the Financial Year 2015-16

S. No.	Name (In Alphabetical Order)	Designation
1	Mr. Anurag Srivastava	Senior Manager - Human Resource & Administration
2	Mr. Ashok Kumar Pandey	General Manager - Procurement & Supply Chain
3	Mr. Brijesh Arora	Whole-time Director
4	Mr. Jaipal Singh Rawat	Manager - Procurement & Commercial
5	Dr. Madan Gopal Sinha	Dy. General Manager - Works & Plant Head
6	Mr. Manoj Kumar	Senior Manager - Information Technology
7	Ms. Poonam Jhingan	Executive Assistance
8	Mr. Rajeev Agarwal	Senior Manager - Controlling
9	Mr. Sarvesh Kumar Upadhyay	Company Secretary
10	Ms. Shivangi Negi	Chief Financial Officer

23. AUDITORS

The Statutory Auditor i.e. M/s. S.R. Batliboi & Co. LLP, Chartered Accountants, (Firm Registration No. with ICAI – 301003E) was appointed in the 26th AGM of the Company for their first term of 2 years to hold the office from the conclusion of 26th AGM till the conclusion of 28th AGM of the Company. Consequently, the first term of 2 years of Statutory Auditor is coming to an end at the conclusion of 28th AGM.

Being eligible for the 2nd term of 5 years, M/s. S.R. Batliboi & Co. LLP, Chartered Accountant has expressed its willingness to act as Statutory Auditor of the Company and has provided the requisite documents as required under the Companies Act, 2013 and Listing Regulations. In view of the same, it is proposed to appoint M/s. S.R. Batliboi & Co. LLP, Chartered Accountants as Statutory Auditor of the Company for their 2nd terms of 5 years.

24. COST AUDITOR/MAINTENANCE OF COST RECORDS**Maintenance of Cost Records for the Financial Year 2015-16**

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. The Board has appointed M/s. Ajay Ahuja & Associates (Registration No. 101142) for maintenance of Cost Records of the products of the Company for the Financial Year ended 31st March 2016.

Cost Audit for Financial Year 2014-15

For the Financial Year 2014-15, in absence of clear provisions for applicability of Cost Audit or maintenance of Cost Records, M/s. Ajay Ahuja & Associates (Registration No. 101142) was appointed as Cost Auditor by the Board whose remuneration was approved by Shareholders of the Company in 26th Annual General Meeting.

The details of Cost Auditor and filing information of Cost Audit Report is given below:

- Name of Cost Auditor : M/s. Ajay Ahuja & Associates (Registration No. 101142)
- Contact Address : 7/156, Ramesh Nagar, New Delhi-110015
- E-mail : maaiajuhuja@gmail.com, ajayahujaassociates@gmail.com
- Mobile : +91 9810326644
- Due date of filing Cost Audit Report : 30th September, 2015
- Actual date of Filing Cost Audit Report : 15th November, 2015
- Reasons for late filing : The assignment for filing Cost Audit Report was given to our Cost Auditor. The applicable form for filing of Cost Audit Report was made available only few days before the last date and Cost Auditor could not find the same in line with XBRL Software. Hence it was giving validation errors while creating XBRL document. This led to delay in filing. The additional fee paid to Ministry of Corporate Affairs due to delayed filing was also borne by the Cost Auditor.

25. 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.

26. AUDIT COMMITTEE

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

As on 31st March 2016

S. No.	Name of the 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.

27. DISCLOSURE REGARDING SUBSIDIARIES, JOINT VENTURE OR ASSOCIATE COMPANIES

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

28. DEPOSITS

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

29. MATERIAL ORDERS BY GOVERNING AUTHORITIES

There were no significant or material orders passed by any governing authority of the Company including regulators, courts or tribunals which could impact the going concern status and the Company's operations in future.

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

The Company has laid down proper and adequate internal financial control with respect to internal financial statement.

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

In our diverse and globalized world, it is becoming more and more important to gain a better understanding of the requirements of our customers and end-customers. Changing our perspective to view the world through the eyes of our customers allows us to see things differently and thus develop exceptional solutions. Our willingness to remain open to new things and to think in a flexible manner is the key to our culture of learning and innovation. This culture helps us identify good ideas at an early stage of their development and then quickly bring them to market in order to create added value to our customers and Evonik. 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 of sustainable development and responsible care. We continue to contribute to society by appropriate means. We aim to enhance the quality of life of the community in general and have a strong sense of social responsibility.

34. WE BELIEVE IN QUALITY AS A SUCCESS FACTOR

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

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

35. PROCUREMENT EFFICIENCY AND SUPPLY CHAIN

Procurement is an essential element in the value-chain. We regard intensive cross-functional collaboration within the Company as indispensable. 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 and Management of Insilco, we have been conducting in-house skill development and training programmes. We also encourage our workforce to build a more customer – oriented approach.

37. CERTIFICATIONS AND RECOGNITIONS

Our plant at Gajraula is certified under the Environment Management Standard ISO 14001-2004 and Quality Management Standard ISO 9001-2008. During the year, recertification audit of the Environment Management Standard ISO 14001-2004 and Quality Management Standard ISO 9001-2008 was successfully completed. We have obtained HALAL & KOSHER certificates during the year for Food Safety Management System. Apart from these we are also HACCP and FSSAI certified Company for the Food Safety Management System.

38. REPORT ON CORPORATE GOVERNANCE

Pursuant to the provisions of the Listing Regulations (Erstwhile Clause 49 of the Listing Agreement) 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 provisions of Listing Regulations are attached as **Annexure - 5 and 5.3** respectively.
- ii. Certificate by Managing Director regarding compliance of Code of Conduct by the members of Board and Senior Management as per provisions of Listing Regulations is attached as **Annexure - 5.1**.
- iii. Certificate from Managing Director and Chief Financial Officer regarding correctness of the financial statements presented to the Board is attached as **Annexure - 5.2**.

39. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Pursuant to provisions of the Listing Regulations, a Management Discussions and Analysis Report is enclosed as **Annexure - 6** 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 annexures contains forward-looking statements that involve risks and uncertainties. The actual results, performance or achievements could differ materially from those expressed or implied in such forward-looking statements. Significant factors that could make a difference to the Company's operations include domestic and international economic conditions affecting demand-supply and price conditions, changes in government regulations, environmental regulations, tax regimes and other statutes.

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/-
Brijesh Arora
Managing Director
DIN : 00952523

Sd/-
Guido Johannes Christ
Director
DIN : 03268438

Place : Noida
Date : 4th August 2016

Annexure - 1

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

S. No.	Name and Folio No. of Shareholders	Shareholding at the beginning of the year		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company				No. of Shares	% of total shares of the Company
1	ISHVAM PORTFOLIO PVT LTD. (Folio No.1202060000799320)	114,561	0.18	1-Apr-15				
				17-Apr-15	60	Purchase	114,621	0.18
				24-Apr-15	13,560	Purchase	128,181	0.2
				1-May-15	61,929	Purchase	190,110	0.3
				8-May-15	35,320	Purchase	225,430	0.36
				15-May-15	19,794	Purchase	245,224	0.39
				22-May-15	2,162	Purchase	247,386	0.39
				29-May-15	1,737	Purchase	249,123	0.4
				12-Jun-15	699	Purchase	249,822	0.4
				10-Jul-15	5,000	Purchase	254,822	0.41
				17-Jul-15	19,009	Purchase	273,831	0.44
				16-Oct-15	500	Purchase	274,331	0.44
				23-Oct-15	5,000	Purchase	279,331	0.45
				30-Oct-15	2,603	Purchase	281,934	0.45
				27-Nov-15	810	Purchase	282,744	0.45
				4-Dec-15	906	Purchase	283,650	0.45
				25-Dec-15	950	Purchase	284,600	0.45
				15-Jan-16	4,700	Purchase	289,300	0.46
		22-Jan-16	15,390	Purchase	304,690	0.49		
		29-Jan-16	5,000	Purchase	309,690	0.49		
		5-Feb-16	350	Purchase	310,040	0.49		
		310,040	0.49	31-Mar-16				
2	DHARAM CHAND BAHETI (Folio No. IN30036020092131)	302,995	0.48	1-Apr-15				
		302,995	0.48	31-Mar-16				
3	AMAN FINVEST PVT. LTD. (Folio No. 1202060000799335)	68,873	0.11	1-Apr-15				
				24-Apr-15	1,046	Purchase	69,919	0.11
				1-May-15	22,190	Purchase	92,109	0.15
				8-May-15	38,400	Purchase	130,509	0.21
				12-Jun-15	5,609	Purchase	136,118	0.22
				19-Jun-15	91	Purchase	136,209	0.22
				17-Jul-15	51,795	Purchase	188,004	0.3
				28-Aug-15	17,095	Purchase	205,099	0.33
				4-Sep-15	2,001	Purchase	207,100	0.33
				25-Sep-15	1,450	Purchase	208,550	0.33
				30-Sep-15	5,000	Purchase	213,550	0.34
				9-Oct-15	3,530	Purchase	217,080	0.35
				16-Oct-15	27,413	Purchase	244,493	0.39
				23-Oct-15	13,916	Purchase	258,409	0.41
				13-Nov-15	4,999	Purchase	263,408	0.42
		20-Nov-15	9,986	Purchase	273,394	0.44		
		268,394	0.43	31-Mar-16	(5,000)	Sale		

4	JINDAL SECURITIES PVT. LTD. (Folio No. 1202060000398323)	67,957	0.11	1-Apr-15				
				10-Apr-15	4,144	Purchase	72,101	0.12
				24-Apr-15	17,730	Purchase	108,621	0.17
				15-May-15	40	Purchase	108,661	0.17
				5-Jun-15	17,583	Purchase	126,244	0.2
				19-Jun-15	10,436	Purchase	136,680	0.22
				26-Jun-15	1,087	Purchase	137,767	0.22
				10-Jul-15	69,106	Purchase	206,873	0.33
				31-Jul-15	664	Purchase	207,537	0.33
				13-Nov-15	1,626	Purchase	209,163	0.33
				20-Nov-15	2,434	Purchase	211,597	0.34
				31-Dec-15	10,640	Purchase	222,237	0.35
				8-Jan-16	22,337	Purchase	244,574	0.39
				15-Jan-16	11,540	Purchase	256,114	0.41
				29-Jan-16	294	Purchase	256,408	0.41
				25-Mar-16	2,370	Purchase	258,778	0.41
		258,778	0.41	31-Mar-16				
5	RAJASTHAN GLOBAL SECURITIES PVT. LTD. (Folio No. IN30072410153429)	476,560	0.76	1-Apr-15				
				10-Apr-15	500	Purchase	477,060	0.76
				10-Jul-15	(110,367)	Sale	366,693	0.58
				24-Jul-15	(50,000)	Sale	316,693	0.51
				7-Aug-15	(53,406)	Sale	263,287	0.42
				14-Aug-15	(3,000)	Sale	260,287	0.42
				21-Aug-15	(8,400)	Sale	251,887	0.40
				28-Aug-15	(1,795)	Sale	250,092	0.40
				31-Dec-15	(7,941)	Sale	242,151	0.39
				8-Jan-16	(2,840)	Sale	239,311	0.38
				15-Jan-16	12,575	Purchase	251,886	0.40
				12-Feb-16	(21,347)	Sale	230,539	0.37
				19-Feb-16	(31,876)	Sale	198,663	0.32
				26-Feb-16	(1,500)	Sale	197,163	0.31
		197,163	0.31	31-Mar-16				
6	SONEX INVESTMENTS LTD. (Folio No. IN300159110076769)	165,080	0.26	1-Apr-15				
		165,080	0.26	31-Mar-16				
7	UNIQUE SECURITIES PVT. LTD. (Folio No. 1201090005832147)	0	0	1-Apr-15				
		153,388	0.24	12-Feb-16	153,388	Purchase		
		153,388	0.24	31-Mar-16				
8	RURAL ENGINEERING CO. PVT. LTD (Folio No. 1203000000107991)	115,000	0.18	1-Apr-15				
		115,000	0.18	31-Mar-16				
9	ANIL JINDAL HUF (Folio No. 1202060000825820)	88,249	0.14	1-Apr-15				
				10-Apr-15	5,035	Purchase	93,284	0.15
				8-May-15	100	Purchase	93,384	0.15
				4-Dec-15	3,400	Purchase	96,784	0.15
				22-Jan-16	4,230	Purchase	101,014	0.16
				114,059	0.18	31-Mar-16	13,045	Purchase

10	Doon Realtors (Pvt.) Ltd. (Folio No. IN30009510710353)	111,770	0.18	1-Apr-15				
		111,770	0.18	31-Mar-16				
11	UNIQUE SECURITIES PVT. LTD. (Folio No. IN30036020098351)	153,388	0.24	1-Apr-15				
				12-Feb-16	(153,388)	Sale		
		0	0	31-Mar-16				
12	MAVERICK SHARE BROKERS LTD. (Folio No. 1203660000002540)	152,000	0.24	1-Apr-15				
				24-Apr-15	(75,000)	Sale	77,000	0.12
				1-May-15	(50,000)	Sale	27,000	0.04
				8-May-15	(25,000)	Sale	2,000	0
				14-Aug-15	500	Purchase	2,500	0
				28-Aug-15	1,000	Purchase	3,500	0.01
				4-Sep-15	(400)	Sale	3,100	0
				11-Sep-15	(600)	Sale	2,500	0
				16-Oct-15	(500)	Sale	2,000	0
				23-Oct-15	200	Purchase	2,200	0
				30-Oct-15	(200)	Sale	2,000	0
				18-Mar-16	(1,900)	Sale	100	0
		31-Mar-16	(100)	Sale	0	0		
13	GLOBE CAPITAL MARKET LTD. (Folio No. IN30096610000088)	135,811	0.22	1-Apr-15				
				31-Jul-15	(21,811)	Sale	114,000	0.18
				7-Aug-15	(40,000)	Sale	74,000	0.12
		74,000	0.12	31-Mar-16				
14	ASISH FINANCE PVT. LTD. (Folio No. IN30235710006767)	110,500	0.18	1-Apr-15				
				31-Dec-15	(110,500)	Sale		
		0	0	31-Mar-16				

Annexure-2

NOMINATION AND REMUNERATION POLICY**Introduction:**

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

Objectives of the Committee:

The Committee shall:

- i. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees.
- ii. Formulation of criteria for evaluation of performance of Independent Director and the Board
- iii. Devising a policy on Board diversity.
- iv. Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.
- v. Recommend to the Board, appointment and removal of Director, KMP and Senior Management Personnel.
- vi. Identify whether to extend or continue the term of appointment of the Independent Director on the basis of the report of their performance evaluation.

Effective Date: The following policy has been formulated by the Nomination and Remuneration Committee and adopted by the Board of Directors at its meeting held on 14th August, 2014. This policy has been modified in the meeting of the Board of Directors held on 4 February 2016. The modified 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 16 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as “Listing Obligations”) 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, of —
 - 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 or corpus 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. Mr. Christian Schlossnikl, Member
- iv. Ms. Meg 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 Obligations 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 Obligations or any other enactment for the time being in force.

Additional Criteria for Appointment of Independent Directors:

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

Term / Tenure:

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

Removal:

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

Criteria for Evaluation of Independent Director and the Board:

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

1. Executive Directors:

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

2. Non Executive Director:

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

- (a) act objectively and constructively while exercising their duties;
- (b) exercise their responsibilities in a bona fide manner in the interest of the company;
- (c) devote sufficient time and attention to their professional obligations for informed and balanced decision making;
- (d) do not abuse their position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- (e) refrain from any action that would lead to loss of his independence
- (f) inform the Board immediately when they lose their independence,
- (g) assist the company in implementing the best corporate governance practices.
- (h) strive to attend all meetings of the Board of Directors and the Committees;
- (i) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (j) strive to attend the general meetings of the company;
- (k) keep themselves well informed about the company and the external environment in which it operates;
- (l) do not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- (m) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.
- (n) abide by Company's Memorandum and Articles of Association, company's policies and procedures including code of conduct, insider trading guidelines etc.

Policy on Board diversity:

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

The Board shall have atleast one Board member who has accounting or related financial management expertise and atleast 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.

Conformity with the Act/Listing Obligations

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

Annexure - 3

Form No. MR-3
SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31st March, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
Insilco Limited

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period ended on 31st March, 2016, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the period ended 31st March, 2016, in accordance to the provisions of:

- I. The Companies Act, 2013 (**the Act**) and the Rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 (**'SCRA'**) and the Rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**'SEBI Act'**) to the extent applicable to the Company :-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 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 (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - e. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - f. The Memorandum and Articles of Association.
- VI. Following Acts:
 - The Factories Act, 1948 and rules thereunder;
 - Indian Explosive Act, 1884;
 - Motor Vehicle Act, 1988;
 - Atomic Energy Act, 1962, and rules thereunder;
 - Indian Boiler Act, 1923 and Boiler Rules & Regulations thereunder;
 - Indian Petroleum Act, 1934 and rules thereunder;
 - Electrical Supply Act, 2003;
 - Air (Prevention & Control of Pollution) Act, 1981 and rules thereunder;
 - Water (Prevention & Control of Pollution) Act, 1974 and rules thereunder;
 - The Environment (Protection) Act, 1986 and Rules thereunder;

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 the BSE Limited.
- iii) SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, Listing Agreements etc mentioned above except as following:

- a) *Regulation 31(2) of the SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015, implemented with effect from December 1, 2015, mandates that listed entities should ensure that 100% of shareholding of promoter (s) and promoter group is in dematerialized form and the same is maintained on a continuous basis in the manner specified by SEBI.*

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

For Nityanand Singh & Co.
Company Secretaries
 Sd/-
Nityanand Singh
 (Prop.)
 FCS No. : 2668/CP No. : 2388

Place : New Delhi
 Date : 25th April 2016

ANNEXURE –4**Form No. AOC-2**

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

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

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

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

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

S. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board/Audit Committee Meeting (ACM), if any	Amount paid as advances, if any
1	Evonik Resource Efficiency GmbH A subsidiary to holding Company to which Insilco Ltd. is also a Subsidiary (Fellow Subsidiary)	Sales	Ongoing	Sale of upto Rs. 15 Crore in a Financial Year	ACM – 4 th February 2016	Nil

Note :

- Material contracts or arrangement or transaction are taken as per definition given in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- All the related party transactions are also disclosed in the note no. 29 of the notes to financial statements for the year ended 31st March 2016.

For & on behalf of the Board of Insilco Limited

Sd/-
Brijesh Arora
 Managing Director
 DIN : 00952523

Sd/-
Guido Johannes Christ
 Director
 DIN : 03268438

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2015-2016**1. CORPORATE GOVERNANCE AND COMPANY'S PHOLOSOPHY ON CORPORATE GOVERNANCE**

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

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. For better corporate governance, the Securities and Exchange Board of India (hereinafter referred as "SEBI") has come up with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations") replacing Listing Agreement with Stock Exchange(s) (hereinafter referred as "Listing Agreement"). All the provisions of the Listing Regulations were enforced as on 1st December 2015. The Company is in full compliance with all the mandatory requirements of Listing Agreement with Stock Exchange and Listing Regulations.

2. BOARD OF DIRECTORS**1.1 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 2016, 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 Regulation 17 of the Listing Regulations (clause 49 of the erstwhile Listing Agreement) relating to the composition in terms of Non-Executive/Independent Directors. Changes during the Financial Year 2015-16 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 Regulation 26 of Listing Regulations, 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 2016.

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 2016 are given below:

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

1. This includes Public and Private Companies.

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

3. Directorship of Mr. Frank Heinz Lelek in Evonik India Limited has not been considered as he has resigned from there w.e.f. 31st March 2016.

4. Directorship of Mr. Guido Johannes Christ in Hella India Lighting Limited has not been considered as he has resigned from there w.e.f. 31st March 2016.

2.3 BOARD MEETINGS AND PROCEDURE
A. BOARD PROCEDURE

The tentative date of next meetings is determined in advance in the preceding Board Meeting. The Board meetings are governed by a structured agenda and agenda papers are supported by comprehensive background information to enable directors to take informed decisions. The 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 Part-A of Schedule II of Listing Regulations is made available to the Board of Directors for discussions and consideration at Board Meetings. In addition to the above information, the Board is also kept informed of major events/items wherever necessary. The Managing Director 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. The Company fully complies with the provisions of the Companies Act, 2013 and Secretarial Standard on Meetings of the Board of Directors (SS - 1, w.e.f. 1st July 2015) in this regard.

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 2015-16

Four Board Meetings were held during the Financial Year ended 31st March 2016. The Board meets at least four times a year, with maximum time gap of one hundred and twenty days between any two meetings as prescribed under Regulation 17 of the Listing Regulations (clause 49 of the erstwhile Listing Agreement).

The details of the Board Meetings held during the Financial Year 2015-2016 are as under:

S. No.	Date	Board Strength	No. of Directors Present
1	21 st May 2015	6	6
2	12 th August 2015	6	5
3	4 th November 2015	6	4
4	4 th February 2016	6	5

C. ATTENDANCE OF DIRECTORS AT BOARD MEETINGS HELD DURING THE FINANCIAL YEAR 2015-2016 AND AT THE 27TH ANNUAL GENERAL MEETING (AGM)

Name of the Director	Attendance		Whether Attended last AGM held on 12 th August 2015
	No. of Meetings held during the tenure	Meetings Attended	
Mr. Dara Phirozeshaw Mehta	4	4	Yes
Mr. Frank Heinz Lelek	4	4	Yes
Mr. Brijesh Arora	4	4	Yes
Dr. Mustafa Siray	4	3	Yes
Mr. Guido Johannes Christ	4	4	Yes
Ms. Meng Tang	4	1	No

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, 2016. A Declaration of Managing Director regarding compliance with Code of Conduct by Directors and Senior Management Personnel is attached as **Annexure -5.1**

E. PREVENTION OF INSIDER TRADING CODE

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

F. INTER-SE RELATIONSHIP BETWEEN DIRECTORS

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

G. HOLDING OF DIRECTORS

The Directors including Non-Executive Directors of the Company do not hold any shares or convertible instruments in the Company during the Financial Year ended 31st March 2016.

H. FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Company conducts familiarization program for Independent Directors at regular intervals. The details of the same are given on the website of the Company at www.insilcoindia.com.

3. COMMITTEES OF THE BOARD

During the year Financial Year 2015-16, there were eight Committees constituted by the Board namely:

1. The Audit Committee
2. The Nomination and Remuneration Committee
3. The Stakeholders' Relationship Committee
4. The Risk Management Committee⁵
5. Delisting Committee⁶
6. Complaints Committee (under Sexual Harassment Policy)
7. Share Transfer Committee
8. Committee for determining materiality of an event or information

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 aforesaid Committees constituted by the Board are placed before the Board for discussions/noting. The role and composition of these Committees along with terms of reference of these Committees and details of the Committee meetings held during the Financial Year 2015-2016 and related attendance are provided below:

5. The Risk Management Committee was dissolved by the Board of Directors in their meeting held on 4th February 2016 as the same was not required under the new provisions implemented through Listing Regulations. The terms of reference of this Committee has been transferred to Board.

6. Delisting Committee was dissolved by the Board of Directors in their meeting held on 21st May 2015.

3.1 AUDIT COMMITTEE

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

A. Terms of reference

The terms of reference of the Audit Committee covers all matters specified under Part C of Schedule II of the Listing Regulations (clause 49 of the erstwhile Listing Agreement) and Section 177 of the Companies Act, 2013 which *inter-alia* includes the following:

The Audit Committee has the following powers:

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

The role of the Audit Committee includes the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of Statutory Auditors and the fixation of Audit Fees.
3. Review and monitor the auditor's independence and performance, and effectiveness of audit process.
4. Approval of payment to statutory auditors for any other services rendered by the Statutory Auditors.
5. Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Directors' Responsibility Statement to be included in the Directors' Report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgment by management.
 - Significant adjustments made in the financial statements arising out of audit findings.
 - Compliance with listing and other legal requirements relating to financial statements.
 - Disclosure of any related party transactions.
 - 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 Auditor before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain areas of concern including observations of auditors.
14. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

15. To review the functioning of the Whistle Blower Mechanism, if any.
16. Approval of Appointment of CFO (i.e. the whole time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background etc. of the candidate.
17. Carrying out such other function(s) as may be specifically referred to the Committee by the Board of Directors and/or other Committee(s) of Directors of the Company.
18. To review the following information:
 - The management's discussion and analysis of financial condition and results of operations;
 - Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
 - All material individual transactions with related parties or others, which are not on an arm's length basis, together with management's justification for the same;
 - Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
 - Internal audit reports relating to internal control weaknesses.
19. Approval or any subsequent modification of transactions of the Company with related parties.
20. Scrutiny of inter-corporate loans and investments
21. Valuation of undertakings or assets of the Company, wherever it is necessary.
22. The appointment, removal and terms of remuneration of the Chief Internal Auditor if any shall be subject to review by the Audit Committee.
23. To review and monitor management responsiveness to findings and recommendations of Internal Auditors.
24. Review the Company's Compliance with employee's benefits plans.
25. Oversee and review the Company policies regarding information technology and management information systems.

B. Composition

As on 31st March 2016, 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 Regulation 18 of the Listing Regulations (clause 49 of the erstwhile 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 with at least two Independent Directors.

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 Mr. Dara P. Mehta, an Independent Director of the Company. The Chairman of the Audit Committee, Mr. Dara P. Mehta was present at the 27th Annual General Meeting of the Company held on 12th August 2015 to answer the queries of shareholders. The Joint Managing Director and Chief Financial Officer are permanent invitees to the Audit Committee Meetings. The representatives of the Statutory Auditor are invited to attend the Audit Committee Meeting. The representatives of Internal Auditor are invited to attend the Audit Committee Meeting as and when required. The Company Secretary of the Company acts as Secretary to the Committee.

C. Meetings and Attendance

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

Details of Audit Committee Meetings held during the Financial Year 2015-2016

Four Audit Committee Meetings were held during the Financial Year ended 31st March 2016. The dates on which

meetings were held are as follows:

S. No.	Date	Committee Strength	No. of Members Present
1	21 st May 2015	3	3
2	12 th August 2015	3	3
3	4 th November 2015	3	3
4	4 th February 2016	3	3

The intervening period between two Audit Committee meetings was well within not more than one hundred and twenty days and within the maximum gap of four months as prescribed under Regulation 18 of the Listing Regulations (clause 49 of the erstwhile Listing Agreement).

Attendance at Audit Committee Meetings held during the Financial Year 2015-16:

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 Regulation 19 of the Listing Regulations (clause 49 of the erstwhile Listing Agreement).

B. Composition

As on 31st March 2016, the Nomination and Remuneration Committee comprised of 4 Non-Executive Directors, out of which 2 are Independent Directors. Mr. Guido Johannes Christ, Independent Director of the Company is the Chairman of the Nomination and Remuneration Committee. The Composition of Nomination and Remuneration Committee meets the requirements of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations (clause 49 of the erstwhile Listing Agreement).

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

Name of Members	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

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

C. Meetings and Attendance

One Nomination and Remuneration Committee Meeting was held during the Financial Year ended 31st March 2016. The date of the meeting, Committee strength and no. of members present in the meeting were as follows:

S. No.	Date	Committee Strength	No. of Members Present
1	21 st May 2015	4	4

Attendance at Nomination and Remuneration Committee Meeting held on 21st May 2015:

Name of Members	Attendance	
	No. of Meetings held during the tenure	Meetings attended
Mr. Guido Johannes Christ	1	1
Mr. Dara P. Mehta	1	1
Dr. Mustafa Siray	1	1
Ms. Meng Tang	1	1

D. Nomination and Remuneration Policy

A Nomination and Remuneration Policy of the Company has been approved by Nomination and Remuneration Committee and Board of Directors of the Company. 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 Regulations. Remuneration to Executive Directors are being recommended and paid as per policy. The said policy of the Company is attached as **Annexure- 2** 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) **Remuneration and other details of Mr. Frank Heinz Lelek (Managing Director) for the Financial Year 2015-16**

Mr. Frank Heinz Lelek has decided not to take any remuneration from the Company.

The term of Mr. Frank Heinz Lelek as Managing Director is for 3 years effective from 1st March 2015 to 28th February 2018. The Contract of appointment of Mr. Frank Heinz Lelek 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. The Board has the power to waive off the aforesaid notice period.

(ii) **Remuneration and other details of Mr. Brijesh Arora (Whole-time Director/Joint Managing Director)**

Salaries (Rs.)	Benefits (Rs.)	Performance linked Incentive/Bonus*(Rs.)	Retirement Benefits** (Rs.)	Total (Rs.)
2,100,000	2,025,744	420,000	351,996	4,897,740
2,100,000	2,025,744	420,000	351,996	4,897,740

Note:

* At the beginning of the Financial Year 2015-16, the opening balance of the Performance linked incentive/bonus was Rs. 109,375/- payable to Mr. Brijesh Arora (Joint Managing Director). During the Financial Year 2015-16, the Company has made a provision for Rs. 437,500/- as performance linked incentive/bonus. The total provision for performance linked incentive/bonus as on 31st March 2016 was Rs. 546,875/-. The Board approved Rs. 420,000/- as performance linked incentive/bonus to Mr. Brijesh Arora till 31st December 2015 which was paid to Mr. Brijesh Arora in April 2016. Accordingly, provision of Rs. 126,875/- pertaining to performance incentive/ bonus of Mr. Brijesh Arora for the Financial Year 2015-16 is still pending. The performance linked incentive/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. 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.
- (ii) Mr. Brijesh Arora shall be entitled to the following retirement benefits as per rules of the Company at the time of his retirement/ or cessation of service from the Company (a) Provident Fund (b) Superannuation (c) Gratuity (d) 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 2016.

The Non-Executive Independent Directors are not paid any remuneration other than the sitting fee for attending meetings of the Board and the Committees thereof as approved by the Board. The sitting fees as determined by the Board are presently Rs. 40,000/- per meeting for attending meeting of the Board and Rs. 30,000/- per meeting for attending meeting of the Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee, Risk Management Committee and Delisting Committee⁷ 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 2015-2016 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	140,000	110,000	110,000	20,000	30,000	N.A.	410,000
Mr. Guido J. Christ	140,000	110,000	N.A.	20,000	30,000	N.A.	300,000

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

7. Delisting Committee and Risk Management Committee was dissolved on 21st May 2015 and 4th February 2016 respectively by the Board of Directors in their duly convened meetings on that day.

E. 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 2016, 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	Executive	Member

C. Meetings and Attendance

Four Stakeholders' Relationship Committee Meetings were held during the Financial Year ended 31st March 2016. The date of the meeting, Committee strength and no. of members present in the meeting were as follows:

S. No.	Date	Committee Strength	No. of Members Present
1	21 st May 2015	3	3
2	12 th August 2015	3	3
3	4 th November 2015	3	3
4	4 th February 2016	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. Brijesh Arora	4	4

E. Name and Designation of Compliance Officer

Mr. Sarvesh Kumar Upadhyay, Company Secretary.

The Contact details of Compliance Officer are as follows:

Address	Telephone Number	Fax Number
"The Corenthum" Office # 2312, 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 2015-2016 is as follows:

Opening	Received during the year	Resolved during the year	Closing
0	51	51	0

3.4 RISK MANAGEMENT COMMITTEE

Risk Management Committee was constituted by the Board for identification and assessment of risks and minimization of risks by adopting various measures. Pursuant to Regulation 21 of the Listing Regulations which is effective from 1st December 2015, Risk Management Committee is mandatory for only top 100 Listed Companies. In view of the same, the Board in their meeting held on 4th February 2016 has scrapped the said committee with immediate effect and the terms of reference of the said Committee has been transferred to the Board. When dissolved, the Committee comprised 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 which reports to the Board after dissolution of the Committee. The sub-committee constitutes Managing Director and other senior management personnel of the Company.

One meeting of Risk Management Committee was held during the Financial Year 2015-16 on 4th February 2016 before its dissolution.

As on 4th February 2016 (i.e. the date of dissolution), the composition of the Risk Management Committee was as follows:

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

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

3.5 DELISTING COMMITTEE

The Board had constituted a Delisting Committee for Delisting of Equity Shares of the Company from Bombay Stock Exchange. Said Delisting of Equity Shares of the Company could not be done as Delisting can only be acted upon if the votes cast by the public Shareholders in favour of Delisting Resolution are at least two times the number of votes cast by the Public Shareholders against Delisting Resolution. As the purpose of constituting Delisting Committee was over, the Board in their meeting held on 21st May 2015 dissolved the said Committee.

No Meeting of Delisting Committee was held during the Financial Year 2015-16.

As on 21st May 2015 (i.e. the date of dissolution), the composition of the Delisting Committee was as follows:

Name of members	Designation
Mr. Pankaj Khandelwal ⁸	Chairman
Mr. Dara P. Mehta	Member
Mr. Frank Heinz Lelek	Member
Mr. Brijesh Arora	Member

The Company Secretary of the Company acted as Secretary to the Committee till the date of dissolution of the Committee.

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 2016, the said Committee consists 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 Complaints 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 the Board Meetings.

As on 31st March 2016, the committee was consisting the following members:

Name of Members	Designation
Mr. Brijesh Arora, Joint Managing Director	Chairman
Mr. Frank Heinz Lelek, Managing Director	Member
Mrs. Shivangi Negi, Chief Financial Officer	Member
Mr. Sarvesh Kumar Upadhyay, Company Secretary	Member

The Committee met 29 times during the year.

Pursuant to Regulation 40 of the Listing Regulations (clause 47(c) of the erstwhile Listing Agreement), certificate on half yearly basis confirming due compliance of Share Transfer formalities by RTA including sub-division, consolidation etc. 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 said Audit Report is also submitted to the Stock Exchange within prescribed time.

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

3.8 COMMITTEE FOR DETERMINING MATERIALITY OF AN EVENT OF INFORMATION

Pursuant to Regulation 30 of the Listing Regulations, the Board in their meeting held on 4th November 2015 has constituted as Committee for determining materiality of an event or information and a policy in this regard was also framed by the Board. Meeting of this Committee is event based and during the Financial Year 2015-16 no meeting was required to be held.

As on 31st March 2016, the committee was consisting the following members:

Name of Members	Designation
Mr. Frank Heinz Lelek, Managing Director	Chairman
Mr. Brijesh Arora, Joint Managing Director	Member
Mr. Sarvesh Kumar Upadhyay, Company Secretary	Member
Mrs. Shivangi Negi, Chief Financial Officer	Member

4. SUBSIDIARY

The Company does not have any subsidiary.

5. GENERAL BODY MEETINGS

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

General Meeting	Day & Date	Time	Location (Registered Office)	Particulars of Special Resolution
27 th AGM	Wednesday, 12 th August 2015	10:30 Hours	A-5, UPSIDC Industrial Estate, Bhartiagram, Gajraula-244223, Uttar Pradesh	<p>1. Appointment and fixation of remuneration of Mr. Brijesh Arora as Whole-time Director of the Company designated as "Joint Managing Director" for a period of 3 years with effect from 1st March 2015 at a remuneration not exceeding Rs. 6,000,000 per annum as may be decided by the Board, which will be reviewed annually with effect from 1st April 2016 onwards.</p> <p>2. Pursuant to the provisions of the Companies Act, 2013, approval of new set of Articles of Association of the Company substituting and superseding the existing Articles of Associations of the Company.</p> <p>3. Pursuant to the provisions of the Companies Act, 2013, approval of amendment in Memorandum of Association of the Company.</p>
26 th AGM	Thursday, 14 th August 2014	10:30 Hours	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 Hours	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.

5.1 Disclosures related to Postal Ballot

During the Financial year ended 31st March 2016 the Company has not passed any Resolution through Postal Ballot.

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

Procedure of Postal ballot

Resolutions, if required, shall be passed by Postal Ballot during the year ending on 31st March 2017, as per the

prescribed procedure under the Companies Act, 2013 and Listing Regulations.

6. MEANS OF COMMUNICATION

Quarterly Results: The quarterly results of the Company are announced within 45 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 exchange, immediately after these are approved by the Board. The quarterly and annual financial results are normally published in "Mint Newspaper - All India Edition" (English Language) and "Rashtriya Sahara" (Vernacular Language). The Company also ensures that financial results are promptly and prominently displayed on Company's Website www.insilcoindia.com. All the important events and news of the Company including requirements of Regulation 46 of Listing Regulations are also disclosed on the website of the Company for ready reference of the Investors.

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

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

7. MANAGEMENT

Management discussion and analysis of results of operations and financial condition is included in the Annual Report for the Financial Year 2015-2016 and this report contains all the applicable information specified under Listing Regulations (erstwhile Listing Agreement). The disclosures have been made by all Senior Management Personnel for the Financial Year 2015-2016 regarding all material, financial and commercial transactions where they have a personal interest, which may have a potential conflict with interest of the Company at large, if any.

8. SHAREHOLDERS

The brief resume of all the directors seeking appointment/re-appointment/fixation of term are available in this report in the notice of the 28th Annual General Meeting. The Quarterly and Annual results of the Company are forwarded to Bombay Stock Exchange, where securities of the Company are listed. The quarterly financial statements as well as the annual financial statements are posted on the Company's website. Corporate announcements made by the Company from time to time are also posted on the Company's website.

9. CEO/CFO CERTIFICATION

The Certificate required under Regulation 17 of the Listing Regulations (clause 49(IX) of the erstwhile Listing Agreement) duly signed by Managing Director, Joint Managing Director and Chief Financial Officer has been given to Board and attached as **Annexure-5.2** to this report.

10. GENERAL SHAREHOLDERS INFORMATION

10.1 Particulars of ensuing Annual General Meeting

Date	26 th September 2016
Time	10:30 A.M.
Day	Monday
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	17 th September 2016 to 26 th September 2016.
Dividend Payment Dates	No dividend has been recommended for the Financial Year 2015-16.

10.2 Financial Year Calendar 2016-2017 (Tentative)

Financial Year 2016-17	
1 st Quarter Results for quarter ending 30 th June 2016	4 th August, 2016
2 nd Quarter Results for quarter ending 30 th September 2016	October / November, 2016
3 rd Quarter Results for quarter ending 31 st December 2016	January / February, 2017
4 th Quarter Results for quarter/Annual Accounts for the period ending 31 st March 2017	April / May, 2017
29 th Annual General Meeting	August / September, 2017

10.3 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

10.4 Listing Fee

Annual listing fee for the year 2016-2017 has been paid to Bombay Stock Exchange.

10.5 ISIN No. in NSDL & CDSL

INE901A01011

10.6 Stock Market Data

The Monthly High/Low stock prices of Company Equity Shares at Bombay Stock Exchange and BSE Sensex during Financial Year 2015-2016 are given below:

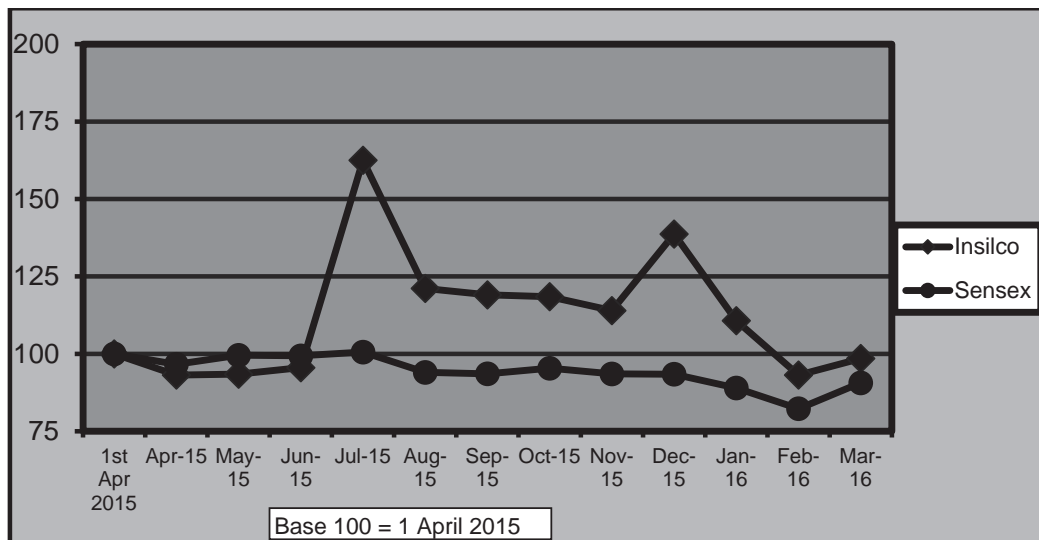
Month	Bombay Stock Exchange			
	Insilco Share Price		BSE Sensex	
	High (Rs.)	Low (Rs.)	High	Low
Apr 2015	18.70	15.65	29,094.61	26,897.54
May 2015	18.00	15.20	28,071.16	26,423.99
Jun 2015	16.15	14.20	27,968.75	26,307.07
Jul 2015	27.30	16.85	28,578.33	27,416.39
Aug 2015	31.55	19.15	28,417.59	25,298.42
Sep 2015	21.00	17.50	26,471.82	24,833.54
Oct 2015	21.10	18.50	27,618.14	26,168.71
Nov 2015	21.10	18.75	26,824.30	25,451.42
Dec 2015	23.30	18.00	26,256.42	24,867.73
Jan 2016	24.95	17.30	26,197.27	23,839.76
Feb 2016	20.45	15.50	25,002.32	22,494.61
Mar 2016	18.35	15.85	25,479.62	23,133.18

Source: www.bseindia.com

10.7 Stock Performance in comparison to BSE Sensex

The performance of the Company's Closing Share price relative to the BSE Sensex for the year 2015-16 is given in the chart below:

INSILCO Closing Price vs. BSE Sensex Closing April 2015 to March 2016



10.8 Registrar and Transfer Agent

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

10.9 Share Transfer System

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

10.10 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 2016 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	2,794,717	4.46	14,066,968	22.43	16,861,685	26.89
Total	48,648,032	77.57	14,066,968	22.43	62,715,000	100.00

10.11 As on 31st March 2016, 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	5,072,850	8.09	37,755	91.18
501 to 1000	1,672,795	2.67	2,009	4.85
1001 to 2000	1,242,802	1.98	801	1.93
2001 to 3000	662,241	1.05	256	0.62
3001 to 4000	457,720	0.73	127	0.31
4001 to 5000	597,116	0.95	125	0.30
5001 to 10000	1,402,692	2.24	189	0.46
10001 to 50000	2,535,028	4.04	115	0.28
50001 to 100000	1,111,274	1.78	16	0.04
100001 and above	47,960,482	76.47	13	0.03
Total	62,715,000	100.00	41,406	100.00

10.12 Shareholding Pattern of the Company as on 31st March 2016:

Category	No. of Shares	% to total
Promoters - Evonik Degussa GmbH	45,853,315	73.11
Residents (Individual)	13,979,246	22.29
Financial Institutions and Banks	23,680	0.04
Non-Resident Individuals/ OCBs	218,989	0.34
Indian Corporate Bodies/ Trusts	2,625,710	4.20
Mutual Funds/ Insurance Companies	14,060	0.02
Total	62,715,000	100.00

10.13 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.

10.14 Commodity price risk or foreign exchange risk and hedging activities

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

10.15 Plant Location

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

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

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

Following are the contact numbers:

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

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

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

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

11. OTHER DISCLOSURES

11.1 Disclosures on material significant related party transactions that may have potential conflict with the interest of the Company at large

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 2015-16 have been disclosed in Form AOC-2 attached as **Annexure-4** and note-29 of Notes to Accounts to Financial Statements respectively.

As required, all related party transactions made during the financial year 2015-16 were previously approved by the Audit Committee of the Company. The required disclosures with respect to the related party transactions were duly made to Audit Committee on a quarterly basis in terms of provisions of Listing Regulations (erstwhile Listing Agreement).

11.2 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

11.3 Details of establishment of Vigil Mechanism, 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 the Audit Committee on any issue. Such policy is available on the website of the Company at www.insilcoindia.com.

11.4 Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:

The Company has complied with all the mandatory requirements of the Listing Regulations (clause 49 of the erstwhile Listing Agreement with Stock Exchange). The Company has not adopted any discretionary (non-mandatory) requirement of the Listing Regulations (clause 49 of the erstwhile Listing Agreement).

11.5 Policy for determining “material” subsidiary

As the Company has no subsidiary, the Board has not framed any such policy.

11.6 Policy on dealing with Related Party Transactions

The policy on dealing with Related Party Transactions is available on the website of the Company at www.insilcoindia.com.

11.7 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.

11.8 Details of Public Funding

We have not obtained any public funding during the Financial Year ended 31st March 2016.

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

The Company has complied with the applicable provisions of Listing Regulations including Regulation 17 to 27 and Regulation 46. 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.

Compliance of the Conditions of Corporate Governance has also been audited by M/s. Sanjay Grover & Associates, Practicing Company Secretaries. After being satisfied of the above compliances, they have issued a compliance certificate in this respect. This certificate will be forwarded to the Stock Exchanges along with the Annual Report of the Company.

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

M/s. Sanjay Grover & Associates, Practicing Company Secretaries has audited the conditions of the Corporate Governance and after being satisfied with the compliance of the same, a certificate on compliance of the same has been issued to the Company which is attached as **Annexure 5.3** to this report.

For Insilco Limited

Sd/-

Brijesh Arora
Managing Director
DIN : 00952523

Sd/-

Guido Johannes Christ
Director
DIN : 03268438

Place : Noida, Uttar Pradesh

Date : 4th August 2016

Annexure-5.1

DECLARATION ON CODE OF CONDUCT BY MANAGING DIRECTOR

I, Frank Heinz Lelek, Managing Director of Insilco Limited to the 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 2016.

Place: Noida, Uttar Pradesh

Date : 5th May 2016

Sd/-

Frank Heinz Lelek
Managing Director

Annexure 5.2

CEO/CFO CERTIFICATION

To,
 The Board of Directors
 Insilco Limited

CHIEF EXECUTIVE OFFICER (CEO) & CHIEF FINANCIAL OFFICER (CFO) CERTIFICATION FOR THE FINANCIAL YEAR 2015-16

We hereby certify to the Board that:

1. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
 - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) these statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and we

have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.

4. We have indicated to the auditors and the Audit Committee
- (a) significant changes in internal control over financial reporting during the year;
 - (b) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (c) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

For Insilco Limited

**Sd/-
Frank Heinz Lelek
Managing Director**

**Sd/-
Brijesh Arora
Joint Managing Director**

**Sd/-
Shivangi Negi
Chief Financial Officer**

Place: Noida, Uttar Pradesh

Date : 5th May 2016

Annexure 5.3

Corporate Governance Certificate

**To
The Members
Insilco Limited**

We have examined the compliance of regulations of Corporate Governance by Insilco Limited for the year ended March 31, 2016, as stipulated in Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the regulations of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

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

**For Sanjay Grover & Associates
Company Secretaries**

**Sd/-
Sanjay Grover
C.P. No. 3850**

Place: New Delhi

Date : 4th May 2016

Annexure – 6

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Overall Review

Production and sales during the year were 12,028 MT and 12,304 MT as against 10,062 MT and 9,527 MT respectively in the previous year. The sales turnover during the year is Rs. 803 Million as compared to Rs. 632 Million in the previous year. The sales turnover grew substantially by 27% as compared to previous year.

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

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

Our operations in general are susceptible to possible changes in fiscal, monetary and economic policies of the Government especially with regard to fuel, power and freight costs. The major challenge for our industry is that it is 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 had seriously impacted our profitability and it became an issue of concern. The future growth of the Company depends upon willingness of customers to pay premium for our high quality products, our efficiency improvement like cost reduction, higher capacity utilization, supply chain performance, lower energy consumption and higher yield.

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

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

The Company has also Environmental Risk, if stringent norms introduced by government for chemical industry near to Ganga River. Central Pollution Control Board (CPCB) has identified 17 categories of Industries which are highly polluted in the river Ganga Basin. We are not a highly polluted industry as per the notified list. The Company has also got the Annual water and air consent from Uttar Pradesh Pollution Control Board (UPPCB) for the Year 2016.

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 Company continues to enjoy a high standing with its customers because of its quality, value added services and strong technical support from parent Company. Besides, it is actively looking for option to install "Coal Fired Hot Air Unit" at its plant to reduce the energy costs and pursuing all growth opportunities so as to improve the results. Several quality conscious customers are showing faith in our quality products. However, future growth of the Company will depend upon our ability to optimize our costs by making our products more competitive, increasing capacity utilization and efficiency improvement. 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 continuously improving safety, plant condition, efficiency and yield. The Company is actively pushing growth opportunities to use the unutilized production capacity and improve product mix. The initiatives of Government such as Make in India is likely to support our Industry, however, it may take time to get visible.

Internal Control Systems and their adequacy

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

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

The key elements of internal control system are as follows:

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

- Whistle Blower Mechanism.
- Policies and procedures adopted by the Company for ensuring orderly and efficient conduct.
- Adherence to Company's policy.
- Prevention of detection and fraud and errors, if any.
- The accuracy and completeness of the accounting records.
- Timely preparation of reliable financial information.

The Company has appointed a firm of independent and reputed Chartered Accountants to conduct on-going internal audits. The Auditors have access to all records and information of the Company. 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 had constituted a Risk Management Committee to monitor and review the risk management activities of the Company on regular basis. However, with the implementation of new Listing Regulations w.e.f. 1st December 2015, Risk Management Committee became non-applicable on the Company. Accordingly, the same was dissolved with effect from 4th February 2016 and its terms of reference was transferred to the Board of Directors on 4th February 2016. With the dissolution of Risk Management Committee, the Sub-Committee of the Company on Risk would report to the Board on matters related to Risk Management of the Company. This Sub-Committee comprises various senior management personnel including Managing Director and Joint 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 116 employees as on 31st March 2016 on the rolls of the Company. The same does not include contractual employees and trainees.

Most of our employees have continued their long term association with Insilco. During 2015-2016, 8 employees have completed the 20 years long association with the Company and awarded for such Long Service. Of the total employees currently working with the Company, 79 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 again in building competencies of human resources by filling key positions along with a policy of job re-definition and job rotation. We are striving to build not only a competent workforce but also highly engaged and committed people to execute many projects and initiatives effectively. These organizational changes were implemented in line with the business situation and strategy. This will contribute to the growth and development of the employees and offer them the opportunity to develop new job skills and obtain wider exposures. This has also resulted in reduction in Head Count and better efficiency.

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

We are also evaluating our existing processes and policies periodically and upgrading our policies and procedures, wherever required.

We have provided several internal and external trainings during the year to the employees to update their knowledge and skills.

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

To encourage the participation of shop floor employees, the Company has launched the Suggestion Scheme. It will inculcate the spirit of participation and creativity.

During the year, a survey of employees' of all Evonik group Companies was conducted worldwide. Employees of Insilco have also participated in the Evonik global survey with 100% employee participation. The results have shown a positive trend on employee typology with significant shift from critics to drivers and from detached to residents.

During the year, a quarterly in house newsletter covering all the major activities of the Company, its employees and their families was started to strengthen the communication among the employees and their families.

Prohibition of Insider Trading

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

Environment, Safety, Health and Quality (ESHQ):

We are committed to conserve and protect the environment through continuous support and participation of all employees. Our plant at Gajraula is certified under the Environment Management Standard ISO 14001-2004 and Quality Management Standard ISO 9001-2008. During the year, recertification audit of the Environment Management Standard ISO 14001-2004 and Quality Management Standard ISO 9001-2008 was successfully completed. We have obtained HALAL & KOSHER certificates during the year for Food Safety Management System. Apart from these, we are also HACCP and FSSAI certified Company for the Food Safety Management System.

To adhere the ESHQ Policy, Company focused on pollution abatement, resource optimization and waste minimization, which leads to sustainable development. ESHQ is a core value of the Company. The Company is committed to continuously improve its ESHQ performance by targeting Zero Harm through world class safety practices. For exclusive oversight on ESHQ aspect. ESHQ implications are properly addressed in all new strategic initiatives, budgets, audit actions and improvement plans. The senior leadership plays a critical role in encouraging positive attitudes towards safety and help in creating an environment that fosters safety culture, by establishing clear and transparent ESHQ Policy.

Your Company is having state of art effluent treatment system as per Evonik's International standards.

We take our responsibility to the field of safety particularly seriously – during production and while shipping products to our customers. Our objective is to protect our employees and local residents, as well as the environment, against any potential negative impact of our activities. The Company has set up elaborate safety system to ensure a proper safe work environment. 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 ESHQ requirements.

We continue to endeavor the same by:

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

To achieve this, we involve all employees, contractors, suppliers and sub-contractors in ESHQ initiatives through brainstorming, inspection, detection and correction. During the year 2015-2016, we also performed various work/activities including mainly:

- Celebration of World Environment Day-2015
- Safety Week Celebration during the month of March-2016
- Plantation of approx. 400 Trees
- Regular Safety Trainings and Safety Video display
- Annual Medical Health Check-ups of all the employees.

We are pleased to report that Financial Year 2015-16 is a Zero man day loss accident year. No accident has occurred in the Plant since 13th April 2008. Insilco's ESHQ commitment is to continue as "zero incidents site" in all activities and operations.

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 of Rs. 10/- each. The authorized share capital of the Company is Rs. 657.15 Million divided into 65,715,000 equity shares of Rs. 10/- each. The issued, subscribed and paid-up share capital stood at Rs. 627.15 Million as on year ended March 31, 2016.

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, 2016 is Rs. 281.26 Million as compared to Rs. 268.20 Million as on March 31, 2015. The book value per share at the end of the year is Rs. 14.48/- as compared to Rs. 14.28/- 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 Rs. 0.67 Million as compared to Rs. 1.20 Million as on March 31, 2015. The provisions represent liabilities provided for Long Service Awards.

4. Current Liabilities

The Company owes an amount of Rs. 63.58 Million as compared to Rs. 58.49 Million as on March 31, 2015. This represents 7.96% of total expenditure for the year ended March 31, 2016 as compared to 8.98% of previous year. These liabilities include the following:

Particulars	As of March 31, 2016 (Rs. in Million)
Trade Payables	25.41
Other Current Liabilities:	
Advance from customer	12.64
Retention Money & Security Deposits	1.91
Other Liabilities	11.38
Short Term Provisions:	
Provision for Income Tax	5.26
Provision for Gratuity	0.79
Provision for Long Service Awards	0.85
Provision for Leave Encashment	4.43
Provision for Sick Leave	0.91

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

Additions of Rs. 8.02 Million were made to Fixed Assets during the current year and this includes Rs. 4.04 Million towards Plant and Machinery, Rs. 2.60 Million towards Vehicles, Rs. 0.37 Million towards Building and Rs. 0.45 Million towards Office Equipments. The capital work-in-progress is of Rs. 14.08 Million 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. 5.84 Million pursuant to notification of Schedule II to the Companies Act, 2013 an amount of Rs. 1.69 Million 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 2015. Further the depreciation for the current year is higher by Rs. 2.08 Million due to componentization.

(ii) Long Term Loans and Advances

Long Term Loans and Advances amount to Rs. 42.95 Million as of March 31, 2016 as compared to Rs. 46.21 Million as on March 31, 2015. Long Term Loans and Advances include Rs. 6.68 Million towards security deposit, Rs. 32.73 Million towards advance income tax and Rs. 0.56 Million towards balance with government authorities.

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

Investments of Rs. 314.18 Million at the end of the year represents the investments in Mutual Funds as compared to Rs. 324.21 Million as on March 31, 2015. All investments have been classified as current investments. Investments as on March 31, 2016 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. 115.16 Million as on March 31, 2016 as compared to Rs. 130.37 Million as on March 31, 2015. The inventory has decreased by Rs. 15.21 Million during the year. The level of inventory in relation to sales has increased by 1.89%.

(iii) Trade Receivables

Trade Receivables amount to Rs. 191.78 Million (net of provisions of Rs. 0.05 Million) as of March 31, 2016 as compared to Rs. 96.95 Million (net of provisions of Rs. 0.04 Million) as on March 31, 2015. 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 20% of revenue for the year ended March 31, 2016 as compared to 16% of revenue for the year ended March 31, 2015. This represents an average outstanding of 72 days of revenue for the year as compared to 59 days in the previous year.

(iv) Cash and Bank Balances

As at March 31, 2016, the Company had a cash and bank balance of Rs. 128.08 Million. This represents 13.17% of total assets and 15.94% of the revenue of the current year. The cash & bank balances include deposits of Rs. 121.91 Million for original maturity between 3 months to 12 months.

(v) Short Term Loans & Advances

Short Term Loans & Advances amount to Rs. 11.26 Million as on March 31, 2016 as compared to Rs. 10.64 Million as on March 31, 2015. Short Term Loans & Advances include Rs. 6.31 Million towards advances recoverable in cash or kind & Rs. 4.95 Million towards balance with statutory/government authorities, employee loans & prepaid expenses.

(vi) Other Current Assets

Other current assets amount to Rs. 6.13 Million as compared to Rs. 9.18 Million as on March 31, 2015. Other current assets include interest accrued on fixed deposits of Rs. 5.23 Million.

B. Results of Operations

1. Turnover

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

Particulars	Rs. in Million	
	Year ended 31.03.2016	Year ended 31.03.2015
Gross Turnover	803	632
Less: Excise Duty	75	62
Net Turnover	728	570

2. Net Profit/Loss After Tax

The Net profit after tax grew by 4% to Rs. 14.77 Million for the year ended 31st March 2016 as against profit after tax of Rs. 14.24 Million in the previous year. This represents an increase in profit by Rs. 0.53 Million.

3. Cash Profit

The cash profit for the year ended 31st March 2016 is Rs. 28.06 Million as compared to Rs. 25.85 million for the year ended 31st March 2015.

4. Earnings Per Share

The basic EPS grew by 4% during the year to Rs. 0.24 per share as against Rs. 0.23 per share in the previous year.

5. Raw Material Consumption

The raw material consumption for current year is Rs. 257.70 Million as compared to Rs. 217.84 Million for previous year. The Company continued to follow the procurement model of cullet instead of producing in house cullet.

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

The decrease in inventory of finished goods & work in progress during the year is Rs. 21.68 Million

7. Employee Benefits Expense

The employees' remuneration and benefits for the year ended March 31, 2016 are Rs. 64.55 Million as compared to Rs. 67.09 Million for the year ended March 31, 2015. The Company has 116 employees as on March 31, 2016 on its rolls.

8. Depreciation and Amortization Expense

Due to application of Schedule II to the Companies Act, 2013, the Company has changed the manner of depreciation for its fixed asset. Now, the Company identifies and determines cost of each component/part of the asset separately, if the component/ part have a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives, the remaining asset is depreciated over the life of the principal asset. Further the depreciation for the current year is higher by Rs. 2.07 Million due to componentization. There has been provided a sum of Rs. 13.29 Million towards depreciation for the year ended March 31, 2016 representing 1.65% of gross sales. The depreciation as a percentage of average gross block is 1.41% for the year ended March 31, 2016.

9. Other Expenses

Other expenses for the year ended March 31, 2016 are Rs. 377.47 Million as compared to Rs. 341.98 Million for the year ended March 31, 2015. 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, 2016

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

Description	March 2016	March 2015	March 2014
Financial Performance			
Sales	803.48	631.75	685.59
Profit before Interest, Investment Income, Depreciation, Exceptional Items and Tax	9.38	(15.33)	(41.65)
Income from Interest & Investment	25.84	41.25	21.37
Interest Expenses	(3.12)	(0.07)	(0.08)
Depreciation and Amortization	(13.29)	(11.61)	(24.99)
Profit/(Loss) on Exceptional Items	-	-	(74.30)
Profit/(Loss) Before tax	18.81	14.24	(119.65)
Taxation charge / (Release)	4.04	-	(16.60)
Profit/(Loss) after Tax	14.77	14.24	(103.05)
Balance Sheet			
Share Capital	627.15	627.15	627.15
Reserves and Surpluses	281.26	268.20	267.93
Net Worth	908.41	895.35	895.08
Non Current Liabilities	0.67	1.20	1.16
Non Current Assets	206.08	204.17	219.32
Net Current Assets	703.01	692.40	676.90
Total Assets	972.67	955.02	946.04
Per Share Data			
Basic EPS (Rs.)	0.24	0.23	(1.64)
Book Value per share (Rs.)	14.48	14.28	14.27
Other Information			
Number of Shareholders	41,405	41,909	43,902

RATIO ANALYSIS FOR THE YEAR ENDED MARCH 31, 2016

Description	March 2016	March 2015	March 2014
Ratios-Financial Performance			
Gross Profit/ Total Sales [%]	22%	21%	16%
Profit/(Loss) Before Interest, Investment Income, Depreciation, Exceptional Item & Tax/ Total Sales [%]	1%	(2)%	(6)%
Profit/(Loss) Before Interest, Investment Income, Depreciation & Tax/Total Sales [%]	1%	(2)%	(17)%
Ratios-Balance Sheet			
Debt Equity Ratio (Long Term Debt : Equity)	-	-	-
Current Ratio	12.06	12.84	14.59
Days Sales Outstanding (DSO) (Based on annualised sales of quarter 4)	72	59	60
Depreciation/Average Gross Block	1.41%	1.22%	2.59%

For & on behalf of the Board of
Insilco Limited

Sd/-
Brijesh Arora
Managing Director
DIN : 00952523

Sd/-
Guido Johannes Christ
Director
DIN : 03268438

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, 2016, 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 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 judgment, 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. 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 of the state of affairs of the Company as at March 31, 2016 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, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 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, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of section 164 (2) of the Act;

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure 2” to this report;
- (g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 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/E300005

Sd/-

per Amit Gupta

Partner

Membership Number: 501396

Place of Signature: Gurgaon

Date: May 5, 2016

Annexure 1 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.
 - (c) According to information and explanations given by the management, the title deeds of immovable properties included in Freehold land and Lease hold land are held in the name of the Company.
- ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) 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, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.
- 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 with appropriate authorities undisputed statutory dues including provident fund, employees’ state insurance, income-tax, sales-tax, wealth-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable to it.
 - (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees’ state insurance, income tax wealth-tax, service tax, sales-tax, duty of custom, duty of excise, 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 except 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 (Rupees in '000)
Income Tax Act, 1961	Interest under Section 234B	1991-92	795
Income Tax Act, 1961	Addition to book profits under Section 115JA	1997-98	2,372
Income Tax Act, 1961	Addition to book profits under Section 115JA	1998-99	971

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

Name of the Statute	Nature of Dues	Amount (Rupees in '000)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax Disallowances/ Demands	251	A.Y. 1990-91	Assessing Officer
		3,570*	A.Y. 1993-94	Assessing Officer
		403	A.Y. 2002-03	Assessing Officer
		9,985	A.Y. 2003-04	Assessing Officer
		2,741	A.Y. 2004-05	Income Tax Appellate Tribunal
		2,760	A.Y. 2005-06	Income Tax Appellate Tribunal
		6,250*	A.Y. 2006-07	Assessing Officer
		117	A.Y. 2010-11	Commissioner of Income Tax (Appeals)
	1,833	A.Y. 2012-13	Commissioner of Income Tax (Appeals)	
	410	A.Y. 2013-14	Commissioner of Income Tax (Appeals)	
The Central Excise Act, 1944	Duty of excise, Interest and penalty	150	July 2012- June 2013	Custom Excise & Service Tax Tribunal (CESTAT) Hapur**
The Maharashtra Value added Tax Act 2002	Central sales tax, interest and penalty	275	F.Y. 2005-06	Joint Commissioner of Sales Tax (Appeals)
West Bengal value added tax***	Penalty	107	F.Y. 2010-11	West Bengal Taxation Tribunal

* Net of Rs. 3,632(000) and Rs. 10,419 (000) adjusted against refund accruing to the Company for another assessment year.

** The Assistant Commissioner of Customs and Central Excise, Hapur has passed the order against the Company, however the Company is in process to filing appeal to CESTAT against the said order.

*** net of Rs. 50(000) paid under protest by the Company.

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

- (viii) In our opinion and according to the information and explanations given by the management, 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, debenture holders or government during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money way of initial public offer / further public offer (including debt instruments) and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, we report that the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xi) of the order are not applicable to the Company and hence not commented upon.

- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

Chartered Accountants

Firm Registration Number: 301003E/E300005

Sd/-

per Amit Gupta

Partner

Membership Number: 501396

Place of Signature: Gurgaon

Date: May 5, 2016

ANNEXURE -2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF INSILCO LIMITED

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

To the Members of Insilco Limited

We have audited the internal financial controls over financial reporting of **Insilco Limited** ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

Sd/-

per Amit Gupta

Partner

Membership Number: 501396

Place of Signature: Gurgaon

Date: May 5, 2016

Balance Sheet as at 31 March 2016

Particulars	Notes	As at 31-March-2016 (Rs. in '000)	As at 31-March-2015 (Rs. in '000)
Equity and Liabilities			
Shareholder's Funds			
Share capital	3	627,150	627,150
Reserves and surplus	4	281,259	268,184
Non-current liabilities			
Long-term provisions	5	672	1,200
Current liabilities			
Trade payables	6		
Total outstanding dues of micro and small enterprises		4,534	1,394
Total outstanding dues of creditors other than micro and small enterprises		20,874	19,747
Other current liabilities	6	25,931	24,045
Short-term provisions	5	12,244	13,301
TOTAL		972,664	955,021
Assets			
Non-current assets			
Fixed assets			
Tangible assets	7	149,011	156,993
Intangible assets	8	39	39
Capital Work-in-progress		14,080	928
Deferred tax assets (net)	9	-	-
Long-term loan and advances	10	42,948	46,208
Current assets			
Current investments	11	314,176	324,206
Inventories	12	115,157	130,371
Trade receivables	13	191,784	96,947
Cash and bank balances	14	128,079	179,508
Short-term loans and advances	10	11,260	10,637
Other current assets	15	6,130	9,184
TOTAL		972,664	955,021

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

Chartered Accountants

Firm Registration No.: 301003E/E300005

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
DIN: 00041164

Sd/-

Frank Heinz Lelek
Managing Director
DIN: 05140529

Sd/-

Brijesh Arora
Joint Managing Director
DIN:00952523

Sd/-

Shivangi Negi
Chief Financial
Officer

Sd/-

Sarvesh Kr. Upadhyay
Company Secretary

Place : Gurgaon
Date : 5 May 2016

Place : Noida
Date : 5 May 2016

Statement of Profit & Loss Account for the year ended 31 March 2016

Particulars	Notes	For the year ended 31-March-2016 (Rs. in '000)	For the year ended 31-March-2015 (Rs. in '000)
INCOME			
Revenue from operations (Gross)	16	803,476	631,749
Less : Excise duty		74,707	62,004
Revenue from operations (Net)		728,769	569,745
Other income	17	27,841	45,676
Total Revenue (I)		756,610	615,421
Expenses			
Cost of raw material consumed	18	257,698	217,836
Changes in inventories of Finished Goods and Work-in-progress	19	21,675	(37,409)
Employee benefits expense	20	64,550	67,092
Finance costs	21	3,117	67
Depreciation and amortisation expense	22	13,289	11,610
Other expenses	23	377,475	341,985
Total (II)		737,804	601,181
Profit before tax (I-II)		18,806	14,240
Tax expense			
Current tax	24		
Pertaining to profit for the current period		2,684	-
Tax relating to earlier period		1,356	-
Total Tax expense		4,040	-
Profit for the period (A)		14,766	14,240
Earnings per equity share (Rs.):			
[nominal value of shares Rs. 10 (31 March 2015 Rs. 10)]	25		
Basic			
Computed on the basis of total profit for the year		0.24	0.23
Diluted			
Computed on the basis of total profit for the year		0.24	0.23
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

Chartered Accountants

Firm Registration No.: 301003E/E300005

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

DIN: 00041164

Sd/-

Brijesh Arora

Joint Managing Director

DIN: 00952523

Sd/-

Sarvesh Kr. Upadhyay

Company Secretary

Sd/-

Frank Heinz Lelek

Managing Director

DIN: 05140529

Sd/-

Shivangi Negi

Chief Financial

Officer

Place : Gurgaon
Date : 5 May 2016

Place : Noida
Date : 5 May 2016

Cash Flow Statement for the year ended March 31, 2016

Particulars	Year ended 31-March-2016 (Rs. in '000)	Year ended 31-March-2015 (Rs. in '000)
A) CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/(loss) before tax	18,806	14,240
Adjustments for :-		
- Depreciation/amortisation	13,289	11,610
- Profit on sale of fixed assets	789	1,168
- Profit on disposal of investments	(12,878)	(24,492)
- Interest (net)	(9,841)	(16,694)
- Liabilities no longer required written back	(651)	(1,827)
- Bad debts & advances written off	16	33
- Provision for diminution of investment	-	(1,107)
- Provision for slow moving inventory	1,873	1,454
- Reversal of provision for bad debts	13	-
Operating profit/(loss) before Working capital changes	11,416	(15,615)
Adjustment for :-		
- (Increase)/decrease in trade receivables	(94,850)	818
- (Increase) in loans & advances and other current assets	(1,000)	(4,662)
- Decrease/(Increase) in inventories	13,340	(37,892)
- Increase in trade payables, other current liabilities and provisions	6,878	10,518
Cash generated (Utilised) from Operations	(64,216)	(46,833)
- Direct tax (paid) /refund	(1,650)	-
Net Cash from / (used in) Operating activities	(65,866)	(46,833)
B) CASH FLOW FROM INVESTING ACTIVITIES		
- Purchase of fixed assets	(23,696)	(9,307)
- Sale of fixed Assets	229	1,982
- Purchase of investments	(120,000)	(140,000)
- Sale of investments	142,908	202,319
- Deposits with original maturity more than three months	(121,914)	(169,065)
- Maturity of deposits with original maturity more than three months	169,065	114,315
- Interest received	15,085	11,422
Net Cash from / (used in) Investing activities	61,677	11,666
C) CASH FLOW FROM FINANCING ACTIVITIES		
- Interest paid	(90)	(67)
Net Cash used in Financing activities	(90)	(67)
Net Increase/(decrease) in Cash & Cash equivalents (A + B + C)	(4,279)	(35,234)
Cash & Cash equivalents as at beginning of the year	10,444	45,678
Cash & Cash equivalents as at the end of the year	6,165	10,444
Components of Cash and Cash Equivalents		
Cash on hand	63	94
With banks		
On Current accounts	6,102	10,350
Deposits with Original Maturity of less than three months	-	-
Closing Cash in hand and Bank balances (Refer Note 14)	6,165	10,444

As per our report of even date

For S.R. Batliboi & Co. LLP

Chartered Accountants

Firm Registration No.: 301003E/E300005

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

DIN: 00041164

Sd/-

Brijesh Arora

Joint Managing Director

DIN: 00952523

Sd/-

Sarvesh Kr. Upadhyay

Company Secretary

Place : Noida

Date : 5 May 2016

Sd/-

Frank Heinz Lelek

Managing Director

Sd/-

Shivangi Negi

Chief Financial Officer

Place : Gurgaon

Date : 5 May 2016

Notes to financial statements for the year ended 31 March 2016

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. Component Accounting**

The company has adopted component accounting as required under Schedule II to the Companies Act, 2013 from 1 April 2015. The company was previously not identifying components of fixed asset separately for depreciation purposes; rather, a single useful life/ depreciation rate was used to depreciate each item of fixed asset.

Due to application of Schedule II to the Companies Act, 2013, the company has changed the manner of depreciation for its fixed asset. Now, the company identifies and determines cost of each component/ part of the asset separately, if the component/ part have a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset. The company has used transitional provisions of Schedule II to adjust the impact of component accounting arising on its first application. Accordingly, an amount of Rs. 1,691('000) has been provided 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 2015. The carrying amount of other components, i.e., components whose remaining useful life is not nil on 1 April 2015, is depreciated over their remaining useful lives and depreciation for the current year higher by Rs. 2,077('000) due to component accounting.

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.

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
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
-Components of Plant & machinery	1-25	(As per estimated by the management)

Leasehold land is amortized on straight line basis over the period of lease i.e. 90 years.

* The Company has, based on a technical review and re-assessment by the management, decided to adopt the existing useful life for certain asset blocks which is lower as against the useful life recommended in Schedule II of the Companies Act, 2013, since the Company believes that the estimates followed are reasonable and appropriate, considering current usage and geographical location of such assets.

c. 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.

d. 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.

e. 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.

f. 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.

g. 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.

h. 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 ma-

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.

i. 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.

j. 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.

k. Employee benefits

(i) Short Term:

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

(ii) Long Term :

Defined Contribution plans:

- **Provident Fund:**

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

- **Superannuation:**

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

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.

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.

I. 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.

m. 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.

n. 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. 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.

o. 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.

p. 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.

q. 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-2016 (Rs. in '000)	As at 31-March-2015 (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-2016		As at 31-March-2015	
	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-2016		As at 31-March-2015	
	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-2016		As at 31-March-2015	
	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-2016 (Rs. in '000)	As at 31-March-2015 (Rs. in '000)
Note (4) Reserve and Surplus		
Surplus/(deficit) in the statement of profit and loss		
Balance as per last financial statement	268,184	267,927
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.(a))	(1,691)	(13,983)
Profit for the year	14,766	14,240
	<u>281,259</u>	<u>268,184</u>
Closing Balance	<u>281,259</u>	<u>268,184</u>

Particulars	Long Term		Short Term	
	As at 31-March-2016 (Rs. in '000)	As at 31-March-2015 (Rs. in '000)	As at 31-March-2016 (Rs. in '000)	As at 31-March-2015 (Rs. in '000)
Note (5) Provisions				
Provision for Income Tax (Net of advance Tax)	-	-	5,258	6,935
Provision for gratuity (Note No. 26)	-	-	790	1,041
Provision for long service award	672	1,200	845	375
Provision for compensated absences	-	-	4,438	4,165
Provision for sick leave	-	-	913	785
Total provisions	<u>672</u>	<u>1,200</u>	<u>12,244</u>	<u>13,301</u>

Particulars	As at 31-March-2016 (Rs. in '000)	As at 31-March-2015 (Rs. in '000)
Note (6) Trade payable and Other current liabilities		
Trade payables		
Total outstanding dues of micro and small enterprises (refer note 32 for details of dues to Micro & Small Enterprises)	4,534	1,394
Total outstanding dues of creditors other than micro and small enterprises	<u>20,874</u>	<u>19,747</u>
	<u>25,408</u>	<u>21,141</u>
Other Current Liabilities		
Advance from customers	142	34
Advance received against disposal of fixed assets (Refer note 39)	12,500	12,500
Retention money/ Security deposit of vendors	735	748
Security deposits from customers	1,175	1,200
Others		
TDS payable	1,159	791
Excise duty and service tax payable	5,477	6,805
Employee related liabilities	4,502	1,800
Other statutory liabilities	241	167
Total Other current liabilities	<u>25,931</u>	<u>24,045</u>
	<u>51,339</u>	<u>45,186</u>

Note (7) 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 2014	104	17,404	190,987	652,829	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
Additions	-	-	369	4,038	121	2,602	454	-	289	143	8,016
Disposal	-	-	(238)	(4,196)	(159)	(621)	(248)	-	(206)	(172)	(5,840)
At 31st March 2016	104	17,404	191,118	640,368	5,384	7,359	3,290	-	63,431	14,255	942,713
Depreciation											
At 1st April 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.(a))	-	-	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
Additions	-	202	4,894	5,953	295	855	284	-	250	556	13,289
Disposal	-	-	(26)	(3,571)	(65)	(590)	(226)	-	(181)	(163)	(4,822)
Transfer to opening retained earnings (refer note 2.1.(a))	-	-	-	1,691	-	-	-	-	-	-	1,691
At 31st March 2016	-	4,676	121,464	516,195	3,783	4,541	2,456	-	53,266	13,024	719,405
Impairment Provision											
At 1st April 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
Additions	-	-	-	-	-	-	-	-	-	-	-
Reversal	-	-	-	-	-	-	-	-	-	-	-
At 31st March 2016	-	-	6,896	62,672	-	-	-	-	4,729	-	74,297
Net Block at 31st March 2015	104	12,930	67,495	65,732	1,869	1,102	686	-	5,422	1,653	156,983
Net Block at 31st March 2016	104	12,728	62,758	61,501	1,601	2,818	834	-	5,436	1,231	149,011

Note (8) Intangible assets - Computer Software

At 1st April 2014	2,898
Additions	-
Disposal	-
At 31st March 2015	2,898
Additions	-
Disposal	-
At 31st March 2016	2,898
Amortisation	
At 31st March 2014	2,847
Additions	5
Disposal	-
Transfer to opening retained earnings	7
At 31st March 2015	2,859
Additions	-
Disposal	-
At 31st March 2016	2,859
Net Block at 31st March 2015	39
Net Block at 31st March 2016	39

Note (9) Deferred Tax Assets (net)

Particulars	As at 31-March-2016 (Rs. in '000)	As at 31-March-2015 (Rs. in '000)
Deferred tax liabilities		
Depreciation on fixed assets	26,014	24,514
Gross Deferred tax liabilities	26,014	24,514
Deferred tax assets		
Impairment on fixed assets	18,727	18,665
Provision for doubtful debts & Advances	375	363
Provision for inventory obsolescence	3,780	3,102
Employee benefits	3,132	2,384
Gross Deferred tax assets	26,014	24,514
Net Deferred tax Assets (Net)	-	-

The Company follows Accounting Standard (AS 22) "Account for taxes on Income", as notified under section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014. 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	Non Current		Current	
	As at 31-March-2016 (Rs. in '000)	As at 31-March-2015 (Rs. in '000)	As at 31-March-2016 (Rs. in '000)	As at 31-March-2015 (Rs. in '000)
Note (10) Loans and advances				
Capital Advances				
Unsecured, considered good	2,528	-	-	-
	<u>2,528</u>	<u>-</u>	<u>-</u>	<u>-</u>
Security Deposit				
Unsecured, considered good	6,684	6,684	-	-
Doubtful	103	103	-	-
	<u>6,787</u>	<u>6,787</u>	<u>-</u>	<u>-</u>
Less: Provision for doubtful security deposit	(103)	(103)	-	-
	<u>6,684</u>	<u>6,684</u>	<u>-</u>	<u>-</u>
Advances recoverable in cash or kind				
Unsecured, considered good*	-	-	6,311	6,730
Doubtful	-	-	978	978
	<u>-</u>	<u>-</u>	<u>7,289</u>	<u>7,708</u>
Less: Provision for doubtful advances	-	-	(978)	(978)
	<u>-</u>	<u>-</u>	<u>6,311</u>	<u>6,730</u>
Other loans and advances				
Employee Loan	450	22	838	174
Advance Income Tax (Net of Provision for Tax)	32,726	38,655	-	-
Prepaid expenses	-	-	2,847	2,632
Balance with Statutory/government authorities	560	847	1,264	1,101
	<u>33,736</u>	<u>39,524</u>	<u>4,949</u>	<u>3,907</u>
	<u>42,948</u>	<u>46,208</u>	<u>11,260</u>	<u>10,637</u>

* Due from related parties Rs. 447(000) [Previous year Rs. 436 (000)]. Also refer note 29.

Particulars	As at 31-March-2016 (Rs. in '000)	As at 31-March-2015 (Rs. in '000)
Note (11) Investments		
Current Investments - (valued at lower of cost and fair value, unless stated otherwise)		
Unquoted Mutual Funds, Non Trade		
Nil (previous year 3,56,197) units of Rs. 10 each in Birla Sun Life Govt. Security Long Term Growth -Direct Plan	-	12,262
16,54,469 (previous year 11,47,540) units of Rs 10 each in Kotak Gilt (Investment Regular) Direct Plan Growth	71,630	46,650
20,58,123 (previous year 868,973 units of Rs 10 each in Franklin India Govt. Securities Fund-Long Term Plan -Direct Growth	63,537	23,537
10,28,422 (previous year 1,910,706) units of Rs 10 each in Principal Government Securities fund-Direct Plan Growth	24,221	45,000
4,32,714 (previous year 4,32,714) units of Rs 10 each in Franklin India Govt. Securities Fund-Composite Plan-Direct Growth	16,757	16,757
39,20,689 (previous year 2,932,293) units of Rs 10 each in DHFL Pramerica Gilt Fund-Direct Plan-Growth	55,595	40,000
7,11,037 (previous year 1,487,947) units of Rs 10 each in DSP BlackRock Government Securities Fund-Direct Plan-Growth	28,672	60,000
13,11,009 (previous year 10,48,621) units of Rs 10 each in Canara Robeco Gilt PGS-Direct Growth	50,000	40,000
78,547 (previous year 8,35,631) units of Rs 10 each in ICICI Prudential Long Term Gilt Fund-Direct Plan-Growth	3,764	40,000
	314,176	324,206

Aggregate amount of unquoted investment of Rs. 314,176 ('000) [previous year Rs. 324,206 ('000)]

Aggregate provision for diminution in value of investment of Rs. nil [previous year nil]

Particulars	As at 31-March-2016 (Rs. in '000)	As at 31-March-2015 (Rs. in '000)
Note (12) Inventories		
(At cost and net realisable value, which ever is lower)		
Raw materials [includes material in transit of Rs. 1,924 ('000); [Previous year Rs. 2,608 ('000)]]	21,938	18,562
Work-in-progress	10,973	14,772
Finished goods [includes material in transit of Rs. 8,963 ('000); [Previous year Rs. 8,684 ('000)]]	53,067	70,943
Stores and spares [includes material in transit of Rs. 525 ('000); (Previous year Rs. 639 ('000)]	27,077	24,614
Packing Materials [includes material in transit of Rs. Nil ('000); (Previous year Rs. 28 ('000)]	2,102	1,480
	115,157	130,371

Particulars	As at 31-March-2016 (Rs. in '000)	As at 31-March-2015 (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	568	-
Doubtful	54	41
	<u>622</u>	<u>41</u>
Provision for doubtful receivables	(54)	(41)
	<u>568</u>	<u>-</u>
Other Receivables		
Secured, Considered good	1,125	1,025
Unsecured, Considered good	190,091	95,922
	<u>191,784</u>	<u>96,947</u>

Notes (14) Cash and Bank Balances		
Cash & cash equivalents		
Balance with Banks:		
On Current accounts*	6,102	10,350
Deposits with Original Maturity of less than three months	-	-
Cash on hand	63	94
	<u>6,165</u>	<u>10,444</u>
Other Bank balances:		
Deposits with Original Maturity of more than 3 months but less than 12 months	121,914	169,064
	<u>121,914</u>	<u>169,064</u>
	<u>128,079</u>	<u>179,508</u>

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

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	5,225	8,517
Interest accrued on Security Deposits	521	472
Export Benefit receivable	263	165
Fixed Assets held for sale	60	30
Others	61	-
	<u>6,130</u>	<u>9,184</u>

Particulars	For the year ended 31-March-2016 (Rs. in '000)	For the year ended 31-March-2015 (Rs. in '000)
Note (16) Revenue from operations		
Sale of products		
Finished Goods	760,749	596,189
Other operating revenue		
Waste Sale	44	180
Freight and forwarding charges - Income	42,683	35,380
Revenue from operations (gross)	<u>803,476</u>	<u>631,749</u>
Less: Excise duty #	74,707	62,004
Revenue from operations (net)	<u>728,769</u>	<u>569,745</u>

Excise duty on sales amounting to Rs. 74,707 ('000) (Previous year Rs. 62,004 ('000)) has been reduced from Sales in Statement of Profit & Loss and excise duty on increase/(Decrease) in stock amounting to Rs. (1,515) ('000) (Previous year Rs. 3,298 ('000)) has been considered as (Income)/Expense in note 23 of the financial statements.

Details of products sold

Finished goods sold

Precipitated Silica	760,749	596,189
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Note (17) Other income

Interest Income on		
Bank Deposits	10,890	12,985
Interest on Income tax refund	1,501	3,325
Others	566	451
Profit on sale of Current Investment	12,878	24,492
Provisions no longer required written back	650	1,827
Insurance claim income	303	51
Export Incentive	1,049	284
Scrap Sales	-	1,063
Diminution of Investments (Net of reversal)	-	1,107
Exchange Difference (Net)	-	84
Miscellaneous Income	4	7
	<u>27,841</u>	<u>45,676</u>

Note (18) Cost of Raw Material Consumed

Inventory at the beginning of the year	18,562	18,468
Add: Purchases	261,074	217,930
	<u>279,636</u>	<u>236,398</u>
Less: Inventory at the end of the year	21,938	18,562
Cost of Raw Material Consumed	<u>257,698</u>	<u>217,836</u>
Details of Raw Material Consumed		
Cullet	229,164	193,437
Sulphuric Acid	26,317	22,709
Others	2,217	1,690
	<u>257,698</u>	<u>217,836</u>
Details of Raw material inventory		
Cullet	20,946	18,152
[includes material in transit of Rs. 1,924 ('000); [Previous year Rs. 2,608 ('000)]]		
Others	992	410
	<u>21,938</u>	<u>18,562</u>

Particulars	For the year ended 31-March-2016 (Rs. in '000)	For the year ended 31-March-2015 (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	85,715	48,306
Closing Stock		
Finished Goods & Work in Progress	<u>64,040</u>	<u>85,715</u>
	<u>21,675</u>	<u>(37,409)</u>
Details of Inventory		
Finished Goods - Precipitated Silica	<u>53,067</u>	<u>70,943</u>
Work-in-progress		
Water Glass stage	1,840	6,319
Drying stage	8,085	6,325
Others	<u>1,048</u>	<u>2,128</u>
	<u>10,973</u>	<u>14,772</u>
Note (20) Employee Benefit Expenses		
Salaries, Wages, Dearness Allowance and Bonus	49,768	49,311
Contribution to Provident and other Funds (refer note 26)	7,602	8,556
Gratuity Expense (refer note 26)	797	3,155
Staff Welfare Expenses	<u>6,383</u>	<u>6,070</u>
	<u>64,550</u>	<u>67,092</u>
Note (21) Finance Cost		
Interest Expense on income tax	3,027	-
Bank Charges	<u>90</u>	<u>67</u>
	<u>3,117</u>	<u>67</u>
Note (22) Depreciation on Tangible and Intangible assets		
Depreciation on Tangible assets	13,289	11,570
Amortization on Intangible assets	<u>-</u>	<u>40</u>
	<u>13,289</u>	<u>11,610</u>

Particulars	For the year ended 31-March-2016 (Rs. in '000)	For the year ended 31-March-2015 (Rs. in '000)
Note (23) Other Expenses		
Stores and Spare parts Consumed	26,727	22,155
Packing Material Consumed	21,178	19,836
Power and Fuel	214,083	205,448
Repairs to Building	3,440	1,258
Repairs to Machinery	10,799	5,582
Repairs to Others	1,050	975
Provision for obsolete stores, spares and packing bags	1,873	1,454
Increase/(Decrease) in provision for excise duty on finished goods	(1,515)	3,298
Rent and maintenance charges (refer note 27)	1,854	1,839
Rates and Taxes	1,264	1,809
Insurance	3,506	3,424
Discount, Rebates and Allowances	2,873	2,583
Selling and marketing expenses	7,887	6,572
Freight and forwarding charges - Expense	51,308	39,296
Bad debts / Advances Write off	16	33
Directors' sitting fee	711	620
Payment to auditor (Refer details below)	2,133	1,940
Legal and Professional	3,425	1,939
Travelling and Conveyance	998	1,049
Exchange Difference (Net)	116	-
Provision for Bad and Doubtful debts created	13	-
Royalty	2,633	1,639
Loss on sale of Fixed Assets, net	789	1,168
Support service charges	4,712	4,729
Watch and ward expenses	4,682	3,603
Printing and stationary	927	1,056
Miscellaneous expenses	9,993	8,680
	<u>377,475</u>	<u>341,985</u>
Payment to Auditor		
As auditor:		
- Audit Fee	1,061	900
- Tax Audit Fee	210	210
- Limited Review	750	730
For Reimbursement of Expenses	112	100
	<u>2,133</u>	<u>1,940</u>
Note (24) Tax Expense		
Current Tax	2,684	-
Tax adjustment of earlier years	1,356	-
	<u>4,040</u>	<u>-</u>

Particulars	For the year ended 31-March-2016 (Rs. in '000)	For the year ended 31-March-2015 (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 after tax	14,766	14,240
Net profit for calculation of basic & diluted EPS	<u>14,766</u>	<u>14,240</u>
Weighted average no. of equity shares in calculation Basic & diluted EPS (in No. '000)	<u>62,715</u>	<u>62,715</u>

26. Gratuity and other employee benefit plans

The Company has calculated the various benefits provided to employees as per Accounting Standard-15 'Employee Benefits' as under:

a. Defined Contribution Plans

- (i) Provident Fund
- (ii) Superannuation Fund
- (iii) Employers Contribution to Employee State Insurance
- (iv) Employers Contribution to Employees' Pension Scheme 1995

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

(Rupees in '000)

Particulars	2015-16	2014-15
Employers Contribution to Provident Fund*	1,824	2,389
Employers Contribution to Superannuation Fund*	3,850	4,547
Employers Contribution to Employee State Insurance*	47	76
Employers Contribution to Employees' Pension Scheme 1995.*	1,648	1,325
	7,369	8,337

*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) except in case of certain new employees, whose gratuity liability is unfunded. Rate of return is as given by the insurance Company. The overall expected rate of return on assets is determined based on the market prices prevailing on that date, applicable to the period over which the obligation is to be settled.

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

Particulars	2015-16	2014-15
Discount Rate (per annum)	7.50%	7.80%
Expected Rate of increase in compensation levels	9.00%	9.00%
Expected Rate of return on plan assets	8.35%	9.00%
Expected Average remaining working lives of employees (years)	11	12

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	2015-16	2014-15
Opening balance of defined benefit obligation	24,893	21,374
Current service cost	1,480	1,437
Interest cost	1,942	1,945
Benefits Paid	(427)	(1,717)
Actuarial (gain)/ loss	(578)	1,854
Closing defined benefit obligation	27,310	24,893

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

(Rupees in '000)

Particulars	2015-16	2014-15
Opening balance of fair value of plan assets	23,852	23,489
Expected return on plan assets	2,147	2,055
Contributions	1,048	NIL
Benefits Paid	(427)	(1,717)
Actuarial gain/ (loss)	(100)	25
Closing balance of plan assets	26,520	23,852

Amount of expense recognized in the statement of profit and loss:

(Rupees in '000)

Particulars	2015-16	2014-15
Current service cost	1,480	1,436
Interest cost	1,942	1,945
Expected return on Plan Assets	(2,147)	(2,055)
Net Actuarial (gain)/ loss recognized during the year	(478)	1,829
Total (income)/expense recognized in Profit & Loss	797	3,155

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

Particulars	2015-16	2014-15
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)	2015-16	2014-15	2013-14	2012-13	2011-12
1	Present value of Defined Benefit Obligation	27,310	24,893	21,374	23,481	19,602
2	Fair value on Plan Assets	26,520	23,852	23,489	20,280	16,157
3	Net Asset/(Liability) recognized in Balance Sheet	(790)	(1,041)	2,114	(3,201)	(3,445)
4	Experience Adjustment of Plan Assets [Gain/(Loss)]	(100)	25	26	-	-
5	Experience Adjustment of obligation [(Gain)/Loss]	(1,192)	(221)	(42)	737	1,448

Gratuity:

The Company expects to contribute Rs. 811 ('000) to gratuity in next year [previous year Rs.1,041 ('000)].

c. Other Long Term Employee Benefits

- (i) **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.
- (ii) **Long Service Award**
As per the Company policy, every employee is entitled for Long Service Award. The award is payable upon completion of 10 years and 20 years of continuous service.
- (iii) **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 statement of profit and loss:-
(Rupees in '000)

Particulars	2015-16	2014-15
(i) Leave Encashment	398	596
(ii) Long Service Award	392	497
(iii) Compensated Absence	129	72

27. Leases

The Company has taken its corporate office at Noida with effect from 1 May 2013 under non-cancellable operating lease for a period of 3 years having terms of renewal option. The Lease deed is coming to an end on 30 April 2016. The Company is not interested to extend the Lease deed for another period of 3 years. However, the Company has extended the lease deed by 5 months i.e. till 30 September, 2016.

The lease rental expense recognized in the statement of profit and loss for the year in respect of lease transaction is Rs.1,512 [previous year Rs. 1,512 ('000)].

The future minimum lease payments and payment profile of non-cancelable operating lease as at March31, 2016 are as follows:

(Rupees in '000)

Periods	Future minimum lease payments	
	2015-16	2014-15
Payable not later than one year	756	1,512
Payable later than one year and not later than five years	-	126
Payable later than five years	-	-
Total Minimum Lease payments	756	1,638

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)	
	2015-16	2014-15
Domestic Operations	682,801	572,608
Foreign Operations	77,948	23,581
Total	760,749	596,189

There were overseas trade receivables of Rs.68,388('000) [previous year Rs.11,446('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. Evonik Resource Efficiency GmbH 3. Evonik Iran 4. Evonik IP GmbH 5. Industriepark Wolfgang GmbH
Key Managerial Personnel and their relatives	Mr. Pankaj Khandelwal, Managing Director ¹ Mr. Brijesh Arora ² Ms. Shivangi Negi, CFO ³ Ms. Sheetal Saluja, Company Secretary ⁴ Mr. Sarvesh Kr. Upadhyay, Company Secretary ⁵
Joint Managing Director	Mr. Brijesh Arora ³
Directors and their relatives	Mr. Dara Phirozeshaw Mehta Mr. Guido Johannes Christ

1 Till 28 February 2015

2 Company Secretary from 1 April 2014 to 13 August 2014 CFO from 14 August 2014 to 28 February 2015

3 With effect from 1 March 2015

4 Company Secretary from 14 August 2014 to 19 February 2015

5 Company Secretary from 21 May 2015

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	
	2015-16	2014-15	2015-16	2014-15	2015-16	2014-15
Transactions during the year						
Sale						
-Evonik Resource Efficiency GMBH	-	-	67,796	-	-	-
Commission on sales paid						
-Evonik India Pvt. Ltd.	-	-	7,373	5,460	-	-
-Evonik Degussa Iran AG	-	-	105	527	-	-
Managerial remuneration*						
-Mr. Pankaj Khandelwal	-	-	-	-	-	3,889
-Mr. Brijesh Arora	-	-	-	-	4,915	3,629
-Ms. Shivangi Negi	-	-	-	-	1,192	98
-Ms. Sheetal Saluja	-	-	-	-	-	458
-Mr. Sarvesh Kr. Upadhyay	-	-	-	-	951	-

Director's Sitting Fee							
- Mr. Dara Phirozeshaw Mehta	-	-	-	-	-	411	380
- Mr. Guido Johannes Christ	-	-	-	-	-	300	240

(Rupees in '000)

Particulars	Holding Company & Intermediate Holding Company		Fellow Subsidiary		Key Management Personnel	
SAP license, Lotus Notes and Microsoft license fees paid						
-Evonik Industries AG	4,712	4,735	-	-	-	-
Royalty						
-Evonik Degussa GmbH	-	898	-	-	-	-
-Evonik IP GmbH	-	-	2,633	741	-	-
IT related services paid (net of reversals)						
-Industriepark Wolfgang GmbH	-	-	-	(6)	-	-
Reimbursement of expenses received						
-Evonik India Pvt. Ltd.	-	-	53	174	-	-
Outstanding balances:						
Loans and advances						
-Evonik Industries AG	447	436	-	-	-	-
Trade Receivables						
-Evonik Degussa Iran AG	-	-	52	52	-	-
-Evonik Resource Efficiency	-	-	67,796	-	-	-
Trade payables						
-Evonik India Pvt. Ltd.	-	-	650	-	-	-
Provision for Royalty, SAP licence & IT support fee payable to:**						
-Evonik IP GmbH	-	-	735	457	-	-
-Evonik Industries AG	1,275	1,208	-	-	-	-
-Evonik Degussa Iran AG	-	-	633	527	-	-

* 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.

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

30. Capital and Other Commitments

(Rupees in '000)

Particulars	2015-16	2014-15
Estimated amounts of contracts remaining to be executed on capital account and not provided for	18,541	-

31. (a) Contingent Liabilities

(Rupees in '000)

Particulars	2015-16	2014-15
(a) Income tax claims disputed by the Company relating to issues of applicability and determination pertaining to various assessment years.*	42,371	39,640

(b) Notice received from Nagar Panchayat Office Gajraula, District Amroha, raising demand for payment of House Tax since the Financial Year 1995 - 1996 till the Financial Year 2014-2015 @ Rs. 500 ('000) per annum amounting to Rs. 10,000 ('000) with the Financial penalty of Rs. 2,500 ('000) aggregating to Rs. 12,500 ('000), additional liability from April-2015 to March-2016 proportionately works out to Rs. 625 ('000).**	13,125	12,500
(c) Notice Received from High Court vide Writ petition No. 11210 of 2014 to include name of Insilco Limited as a party in legal case by an ex-employee of acquired Company.***	1,776	-
(d) Liability for Bonus for Financial Year 2014-15 due to retrospectively applicability of "The Payment of Bonus (Amendment) Act, 2015".****	1,584	-
(e) Notice amounting to Rs. 54 ('000) was received from Assistant Commissioner, Central Excise and Service Tax, Division Hapur (refer note b(x) below).	-	54
TOTAL	58,856	52,194

* The Company is contesting the demands and the management, including its tax advisors, believe that its position will likely be upheld in the appellate process. No tax expense has been accrued in the financial statements for the above contingent liabilities. The management believes that the ultimate outcome of these proceedings 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. 12,500 ('000) from office of Nagar Palika, Gajraula for payment of House tax including penalty from the Financial Year 1995-1996 to Financial Year 2014-2015. Additional liability from April 2015 to March 2016 proportionately works out to Rs.625 ('000). The Company believes that the demand notice of Nagar Palika is not tenable in law pursuant to Memorandum of Settlement (MoS) between Town Area Committee/ Nagar Panchayat, Gajraula and Gajraula Industries Association, Gajraula. Nagar Palika 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 13,125 ('000) has been disclosed under contingent liability.

*** The Company acquired assets including land, building and machineries etc from MTZ India Ltd (hereinafter referred as 'MTZ') in 1999. MTZ had terminated service of one employee with full and final settlement in the year 1995.

The said employee filed a complaint of unfair labour practice before Labour Court. The Labour Court passed the order directing payment of full back wages and service benefit from 1995 till date of his retirement. MTZ filed a revision application before Industrial Court at Thane which passed the order for payment of back wages from 1995 till 1999 i.e. the date of transfer of business to Insilco Limited. Aggrieved by the said Order, the ex-employee filed a writ petition in Bombay High Court.

**** An amendment was passed on December 31, 2015 called "The Payment of Bonus (Amendment) Act, 2015 which amended the Payment of Bonus Act, 1965. The said amendment came into force retrospectively w.e.f. April 1, 2014 and immediately after enactment of The Payment of Bonus (amendment) Act, 2015, the Company made provision of bonus for Rs. 1,584(000) for the previous year 2014-15 and published quarterly results for the quarter ended December 31, 2015 as on February 4, 2016. Subsequent to publication of Limited review results, the management came to know that the various High Courts including High Court of Allahabad have already provided interim stay of payment of bonus for the year 2014-15 in case of stay application of various other companies. The Company's registered office at Gajraula is in the State of Uttar Pradesh and the High Court of Allahabad also in its order dated February 12, 2016 in the matter of Benara Udyog Limited vs. Union of India (WP.6098/2016) has issued a notice to the Attorney General of India upholding the decision of the Honourable High Court of Karnataka (Karnataka Employees Association vs. Union of India) regarding stay on the retrospective effect of Payment of Bonus(Amendment) Act, 2015 and issued its interim order to the effect that amendment would take effect only from Financial Year 2015-16.

The Company also obtained external Legal opinion from an expert that the subject matter is currently disputed as unconstitutional and under Constitution of India, the decision of High Court in such writ petitions applies to the Company too. Allahabad High Court has granted stay herein and as the Company has both corporate office and plant in U.P. On the basis of Legal Opinion from such expert the Company believes such decision of High Court of Allahabad applies on them too.

After the interim stay order of Allahabad High Court which having jurisdictional power of over the state of Uttar Pradesh, the Company took a view that this stay order also applied on the Company also and reversed provision of Rs.1,584(000) related to Financial Year 2014-15 and has allowed the same as a Contingent Liability in the Financial Statement for the year ended March 31, 2016.

(b) The Company is also under litigation for following cases, where based on management's assessment, the chances of liability devolving on the Company are 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) Two cases are pending with Motor Accident Claims Tribunal, Meerut since February and March 2013 respectively for accident with Company's vehicles, 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.
- (ix) A Shareholder of the company filed a case in March 2012 before Additional Chief Judicial Magistrate (ACJM), Muzaffar Nagar against the Company and MCS Limited ('MCS'), the Transfer Agent of the Company, under section 403 of the Indian Penal Code (IPC) alleging the misappropriation of his shares by the Company and MCS. The Company had filed an Application before the High Court of Allahabad for stay of criminal proceedings in the matter which was granted vide order dated 22 May, 2013. The said order of High Court has been duly taken on record by Muzaffar Nagar Court. The Shareholder has been summoned for his Reply by High Court.
- (x) The Company have received order on 4 April 2016 from Assistant Commissioner Custom and Central Excise, Hapur, by confirming demand of Rs. 54 ('000) with Interest and equal amount of penalty, The Company will file appeal against the demand. Expected liability as on 31 March 2016 is Rs. 149('000).

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	2015-16	2014-15
1.	Principal amount remaining unpaid as at year end	4,531	1,372
2.	Interest due thereon as at year end	3	22
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. 3,069	Interest- Rs Nil Principal- Rs. 17,660
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.	3	22

5.	Interest accrued and remaining unpaid as at year end	3	22
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.	3	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)	
	2015-16	2014-15
Stores and Spares	4,015	3,645
Capital Goods	783	-
Total	4,798	3,645

34. Expenditure in foreign currency(on accrual basis)

Particulars	Value Rupees in ('000)	
	2015-16	2014-15
Selling & Marketing Expenses - Export Commission	211	99
Support Charges	4,712	4,729
Royalty	2,633	1,639
Travelling & Conveyance - Foreign Travelling	-	18
Total	7,556	6,485

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

Particulars	Percentage of Total Consumption		Value Rupees in ('000)	
	2015-16	2014-15	2015-16	2014-15
Raw Materials Consumed				
Imported	-	-	-	-
Indigenously obtained	100%	100%	257,698	217,836
	100%	100%	257,698	217,836
Stores and Spares (Including booked under Repair and Maintenance)				
Imported	18%	5%	6,156	1,179
Indigenously Obtained	82%	95%	28,401	22,716
	100%	100%	34,557	23,895
Packing Material Consumed				
Imported	-	-	-	-
Indigenously Obtained	100%	100%	21,178	19,836
	100%	100%	21,178	19,836

36. Earnings in foreign currency (on accrual basis)

Particulars	Value Rupees in ('000)	
	2015-16	2014-15
F.O.B. value of Exports	5,140	2,207

37. Unhedged foreign currency exposure as at the reporting date

Particulars	Value in ('000)	
	2015-16	2014-15
Export trade receivable	US \$ 8 Rs. 540	US \$ 2 Rs. 128
Export Commission	US \$ 3 Rs. 211	US \$ 2 Rs. 99
Support Service Charges	Euro 17 Rs. 1,275	Euro 17 Rs. 1,208
Exchange Rates	March 31, 2016	March 31, 2015
US \$	67.60	62.59
Euro	76.87	67.51

38. As against the installed capacity of 15,000 MT (of the total of 21,000 MT installed capacity, 6,000 MT was impaired in the year 2013-14), the production during the year was 12,070 MT (previous year 11,207 MT). As per the report from an external expert, the management believes that no impairment is likely. Further, the holding company has confirmed that they will continue to fulfill their obligation as ultimate holding Company. Further, the Company has sufficient liquid funds as at the balance sheet date. 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. The Company is in the process of getting an evaluation done for certain transactions to determine whether the transactions with associated enterprises were undertaken at "arm's length price". The Company believes that all domestic and international transactions with associate enterprises are undertaken at negotiated contracted prices on usual commercial terms and is confident of there being no adjustments on completion of such evaluation/study.

41. 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/E300005

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

DIN: 00041164

Sd/-

Brijesh Arora

Joint Managing Director

DIN: 00952523

Sd/-

Sarvesh Kr. Upadhyay

Company Secretary

Sd/-

Frank Heinz Lelek

Managing Director

DIN: 05140529

Sd/-

Shivangi Negi

Chief Financial Officer

Place: Gurgaon

Date: 5th May 2016

Place: Noida

Date: 5th May 2016

**FORM NO. MGT- 11
28TH 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:

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

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 28th Annual General Meeting of the Company, to be held on Monday, the 26th day of September, 2016 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*	
Ordinary Business		For	Against
1.	Adoption of Balance Sheet of the Company as at 31 st March, 2016 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. Brijesh Arora, who retires by rotation and being eligible offers himself for re-appointment.		
Special Business			
3.	Appointment of M/s. S.R. Batliboi & Co. LLP, Chartered Accountants as Statutory Auditor		
4.	Appointment of Ms. Sonia Prashar as a Director.		
5.	Appointment of Mr. Christian Schlossnikl as a Director.		
6.	Appointment of Mr. Harishkumar K. Davey as a Director.		
7.	Appointment of Mr. Brijesh Arora as Managing Director.		
8.	Approval of material related party transactions with Evonik Resource Efficiency GmbH		

Signed this..... day of..... 2016

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

**28TH 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 28th Annual General Meeting held on 26th September 2016 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