

20th May 2019

The Department of Corporate Relations,
The Bombay Stock Exchange Limited,
Phiroze Jeejeebhoy Towers,
25th Floor, Dalal Street,
Mumbai – 400001

Sub: Outcome of the Board Meeting
Ref: Scrip Code: 500211

Dear Sir / Madam,

Pursuant to the provisions of regulations 30 and 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, this is to inform you that the Board of Directors in their meeting held today, inter-alia, considered and approved the Audited Financial Results for the quarter and financial year ended 31st March 2019 along with Auditor's Report thereon (Copy Attached at **Annexure 1**).

This is to further inform you that the said Auditor's Report is an unmodified report. However, Auditor has given an Emphasis of Matter, which is reproduced herein below:

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

Our opinion is not modified in respect of this matter

Note no. 35 as referred in aforesaid Emphasis of Matter is attached herewith as **Annexure 2**.

The Board Meeting commenced at 11:00 A.M. and concluded at 2.10 P.M.

The above is for your information and records.

Thanking You
For Insilco Limited


Sarvesh Kr. Upadhyay
Company Secretary

Enclosed: a/a

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"The Corenthum"
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CIN : L34102UP1988PLC010141

ANNEXURE-1

INSILCO LIMITED
(A Member of Evonik Industries Group)
CIN: L34102UP1988PLC010141

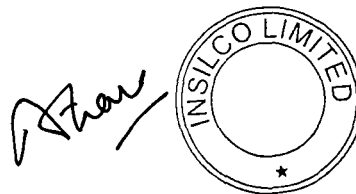


Regd. Office - A - 5, UPSIDC Industrial Estate, Bhartiagram, Gajraula, Distt. Amroha, U.P.-244223,
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Statement of Standalone Audited Financial Results for the year ended March 31, 2019

Sr. No.	Particulars	(INR in lakhs)				
		3 months ended (31/03/2019)	Previous 3 months ended (31/12/2018)	Corresponding 3 months ended in the previous year (31/03/2018)	Current year ended (31/03/2019)	Previous year ended (31/03/2018)
	(Refer notes below)	Audited**	Unaudited	Audited**	Audited	Audited
1	Income					
	(a) Revenue from operations (Refer notes 4 and 5)	1,960	2,380	2,361	9,515	8,880
	(b) Other income (Refer note 6)	102	172	149	404	398
	Total Income	2,062	2,552	2,510	9,919	9,278
2	Expenses					
	(a) Cost of materials consumed	939	1,161	818	4,151	3,343
	(b) Changes in inventories of work-in-progress and finished goods	(242)	(205)	221	(267)	185
	(c) Excise duty	-	-	-	-	222
	(d) Employee benefits expense	208	215	199	850	804
	(e) Depreciation and amortization expense	69	60	53	246	192
	(f) Power and fuel expense	709	953	681	3,397	2,613
	(g) Freight and forwarding charges	105	144	173	613	649
	(i) Other expenses (Refer note 6 and 7)	464	369	264	1,509	1,264
	(h) Finance costs (Refer note 7)	32	-	1	32	2
	Total expenses	2,284	2,697	2,410	10,531	9,274
3	Profit / (loss) before exceptional items and tax (1 - 2)	(222)	(145)	100	(612)	4
4	Exceptional Items	-	-	-	-	-
5	Profit / (loss) before tax (3 - 4)	(222)	(145)	100	(612)	4
6	Tax expense					
	(a) Current tax	-	-	(33)	-	(33)
	(b) Deferred tax	-	-	(23)	(8)	1
	Total tax expense	-	-	(56)	(8)	(32)
7	Profit / (loss) for the period (5 - 6)	(222)	(145)	156	(604)	36
8	Other comprehensive income, net of income tax					
	A.(i) Items that will not be reclassified to profit or loss					
	- gain/(loss) on defined benefit obligation	(15)	(3)	11	(24)	10
	- gain/(loss) on cash flow hedge	-	-	(4)	-	7
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-
	B.(i) Items that will be reclassified to profit or loss	-	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
	Total other comprehensive income, net of income tax	(15)	(3)	7	(24)	17
9	Total comprehensive income for the period (7 + 8)	(237)	(148)	163	(628)	53
10	Paid-up equity share capital (Face value of the share Rs 10/- each)	6,272	6,272	6,272	6,272	6,272
11	Earnings per share (of Rs 10/- each) (not annualised) (Refer note 5):					
	(a) Basic	(0.35)	(0.23)	0.25	(0.96)	0.06
	(b) Diluted	(0.35)	(0.23)	0.25	(0.96)	0.06
	See accompanying notes to the financial results					

** Refer note 8




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Balance Sheet as at March 31, 2019		
Particulars	(INR In lakhs)	
	As at 31/03/19	As at 31/03/18
	Audited	Audited
Assets		
Non-current assets		
Property, plant and equipment	2,207	1,816
Capital work-in-progress	96	192
Investment property	1	1
Other intangible assets	10	17
Financial assets		
i. Loans	75	73
ii. Other financial assets	10	10
Other non-current assets	25	34
Income tax assets (net)	163	139
Total non-current assets	2,587	2,282
Current assets		
Inventories	1,055	988
Financial assets		
i. Investments	1,933	2,597
ii. Trade receivables	1,658	1,793
iii. Cash and cash equivalents	105	129
iv. Bank balances other than (iii) above	2,950	2,920
v. Loans	11	9
vi. Other financial assets	135	153
Other current assets	71	106
Total current assets	7,918	8,695
Total assets	10,505	10,977
Equity and liabilities		
Equity		
Equity share capital	6,272	6,272
Other equity	3,222	3,850
Total equity	9,494	10,122
Liabilities		
Non-current liabilities		
Financial liabilities		
i. Borrowings	1	1
Employee benefit obligations	10	8
Deferred tax liabilities (net)	-	8
Total non-current liabilities	11	17
Current liabilities		
Financial liabilities		
i. Trade payables		
-Total outstanding dues of micro, medium and small enterprises	141	86
-Total outstanding dues of creditors other than micro medium and small enterprises	540	490
ii. Other financial liabilities	108	97
Provisions	5	5
Employee benefit obligations	113	76
Current tax liabilities	-	-
Other current liabilities	93	84
Total current liabilities	1,000	838
Total liabilities	1,011	855
Total equity and liabilities	10,505	10,977

Ashwini


Insilco Limited

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Notes to the financial results:

- This statement has been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other recognised accounting practices and policies to the extent applicable.
- As the Company's business activity falls within single primary business segment, viz. "Manufacturing of Precipitated Silica" the disclosure requirements of Indian Accounting Standard (Ind AS) 108 "Operating Segments" are not applicable.
- The Company was informed by the Uttar Pradesh Pollution Control Board (UPPCB) that pursuant to the order of Hon'ble National Green Tribunal (NGT) dated April 26, 2017 in the matter of 'M. C. Mehta Vs. Union of India and Others' relating to cleaning of river Ganga, 15 industrial units of 13 companies in Gajraula including unit of Insilco Limited, in the catchment of the river Bagad which leads to the river Ganga, had been ordered to be shut down. In compliance with the same, the Company had shut down its Plant at Gajraula. The matter was again heard on May 8, 2017, where the Company's plant was allowed to resume its operations with certain directions and the Company restarted its plant on May 9, 2017. The directions of NGT, inter-alia, included that the Company would put forward its case before a Joint Inspection Team (JIT) and the JIT will submit its report within two weeks from May 8, 2017. Pursuant to such directions, the JIT visited the plant of the Company on May 23, 2017 and the Company demonstrated and put its case before the said team. On July 13, 2017, NGT pronounced its detailed judgement, which has, inter-alia, given powers to the JIT to issue directions to various companies under the provisions of the Water (Prevention and Control of Pollution) Act, 1974 and Environmental (Protection) Act, 1986. The Company has filed a Caveat in NGT so that no orders are passed without giving the Company an opportunity of being heard. In response to the Company's application for renewal of water and air consent for its plant, the Company received a letter dated January 12, 2018 from UPPCB intimating to the Company the recommendations of JIT. The Company had replied to the same a summary of which was sent to Bombay Stock Exchange vide the Company's letter dated January 22, 2018.

A consent for the calendar year 2018 under The Water (Prevention and Control of Pollution) Act, 1974 was issued to the Company by UPPCB and was available in its website on June 12, 2018. This consent dated May 8, 2018 included detailed conditions relating to discharge of the industrial effluent generated by the Company. One of the specific conditions inter-alia states that Insilco to request IIT Roorkee for their comments in its final report with respect to ZLD and Insilco to ensure ZLD by way of recycling the treated effluent or other methodology recommended by IIT Roorkee and approved by Central Pollution Control Board (CPCB) by December 31, 2018. The Company has received a final draft report dated 22nd November, 2018 from IIT Roorkee under its signature, which the Company has shared with UPPCB, with a request that professors of IIT Roorkee would like to meet UPPCB to discuss the said report before issuing the final report. The Company is yet to receive any communication from UPPCB in this regard.

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

- Revenue from operations for periods upto March 31, 2018 includes excise duty, which is discontinued effective July 1, 2017 upon implementation of Goods and Services Tax (GST) in India. In view of the aforesaid restructuring of indirect taxes, revenue from operations for period ended March 31, 2019 is not comparable with the previous period. The following additional information's is being provided to facilitate such understanding:

Particulars	(INR In lakhs)				
	3 months ended (31/03/2019)	Previous 3 months ended (31/12/2018)	Corresponding 3 months ended in the previous year (31/03/2018)	Current year ended (31/03/2019)	Previous year ended (31/03/2018)
	Audited**	Unaudited	Audited**	Audited	Audited
Revenue from operations	1,960	2,380	2,361	9,515	8,880
Less: Excise duty	-	-	-	-	(222)
Revenue from operations excluding excise duty	1,960	2,380	2,361	9,515	8,658

** Refer note 8

- Effective April 1, 2018, the Company has adopted Ind AS 115 "Revenue from Contracts with Customers" using the modified retrospective method, wherein the Company has elected to apply practical expedient for contracts that were not completed on or before March 31, 2018. Accordingly, the comparatives have not been retrospectively adjusted. The effect on adoption of Ind AS 115 was insignificant on the financial results and Earning per Share (EPS).
- The gain/(loss) on financial assets measured at fair value through profit and loss (investments in mutual funds) recognised in the current and previous periods is as follows:

Particulars	(INR In lakhs)				
	3 months ended (31/03/2019)	Previous 3 months ended (31/12/2018)	Corresponding 3 months ended in the previous year (31/03/2018)	Current year ended (31/03/2019)	Previous year ended (31/03/2018)
	Audited**	Unaudited	Audited**	Audited	Audited
Other Income	35	103	64	137	132
Other Expenses	-	-	-	-	-

** Refer note 8


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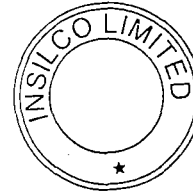
- 7 The Company (Lessee) and Uttar Pradesh Industrial Development Corporation (UPSIDC) (Lessor) had executed a lease deed in 1991 for its land at Gajraula for a period of 90 years. The Company received a letter from UPSIDC dated June 28, 2016, for payment of "Maintenance Charge" for Rs. 3 lakhs from September 1, 2015, to June 30, 2016. Insilco requested UPSIDC to provide relevant backup documents/copy of rules/regulation for payment, reply of which was not received from UPSIDC. In 2018, Insilco had applied to District Magistrate (DM) for obtaining NOC for its proposed LPG project. In the process, UPSIDC vide its letter dated February 21, 2019, wrote to Insilco, inter alia, to deposit Rs. 90.47 lakhs of maintenance charges for above said land. After follow-ups, Insilco could finally get the backup calculation of the demand and relevant backup document on April 30, 2019. The revised demand included principal and interest on maintenance charges from September 1, 2015, to June 30, 2018. On May 1, 2019, Insilco paid such revised demand of Rs. 92.20 lakhs approximately including principal and interest on Maintenance Charges. Further, provision of Rs. 49.16 lakhs for maintenance charges for the period July 2018 to March 2019 has been created in the books of accounts. Other expenses for the quarter ending March 31, 2019, includes Rs. 111.01 lakhs as maintenance charges for the period September 1, 2015 to March 31, 2019. The finance cost for the quarter ending March 31, 2019, includes Rs. 29.42 lakhs as interest on maintenance charges.
- 8 The figures for the last quarter are balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures upto the third quarters of the respective financial years.
- 9 Previous period figures have been regrouped, wherever necessary.
- 10 This statement has been reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on May 20, 2019.

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

For Insilco Limited



Brijesh Arora
Managing Director
DIN : 00952523



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Price Waterhouse & Co Chartered Accountants LLP

Independent auditor's report

To the Members of Insilco Limited

Report on the audit of the financial statements

Opinion

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

Basis for opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

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

Our opinion is not modified in respect of this matter



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Price Waterhouse & Co. (a Partnership Firm) converted into Price Waterhouse & Co Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-4362) with effect from July 7, 2014. Post its conversion to Price Waterhouse & Co Chartered Accountants LLP, its ICAI registration number is 304026E/E-300009 (ICAI registration number before conversion was 304026E)

Key audit matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter description	How our audit addressed the key audit matter
<p>Assessment of impairment of Property, Plant and Equipment (Refer Note 3 to the Financial Statements)</p> <p>Property, plant and equipment represents 21% of total assets on the balance sheet. If these were to be impaired, it would have a significant impact on reported loss and the balance sheet position of the Company.</p> <p>Impairment assessment of property, plant and equipment was considered to be a key audit matter as the Company has been incurring losses in the past few years and there is a risk that the recoverable amount could be less than the carrying value of assets.</p> <p>The Management's assessment of impairment depends on the valuation approach followed to estimate the fair value of the assets and cost to sell and there is significant judgement in respect of:</p> <ul style="list-style-type: none"> • Estimated resale values of land wherein the current prevailing rates for comparable land were provided by an external valuer engaged by the Management; • Estimated current replacement cost of the buildings taking into consideration the specifications of the building such as (i) type of construction (ii) quantity of steel (iii) area and (iv) height of the buildings, provided by an external valuer; • Estimated current replacement costs for all other assets based on the price index; and • Discount rate and salvage value percentage estimated to arrive at fair value and cost to sell respectively. <p>The Management has concluded that the recoverable amount is higher than their carrying values and that no impairment provision is required.</p>	<p>Our procedures in relation to management's impairment assessment of property, plant and equipment included:</p> <ul style="list-style-type: none"> • Understanding and evaluating the controls and testing the operating effectiveness of the controls related to estimating the fair value of the assets; • Understanding the methodologies used by the external valuer engaged by the Management to estimate resale values; • Evaluating the external valuer's competence, capabilities, independence and objectivity; • Testing the accuracy and appropriateness of the input data including the specifications, provided by the Management to the external valuer; • Together with the auditor's valuation experts, assessing the following – <ul style="list-style-type: none"> a. valuation methodology b. assumptions used in the estimation of the resale values, current replacement cost, discount rates and salvage value. c. Performed sensitivity analysis of possible changes to the key assumptions. <p>Based on the above procedures, the results of the Management's assessment of impairment of Property, Plant and Equipment was considered to be appropriate.</p>



Other Information

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

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

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

We have nothing to report in this regard.

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

7. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
8. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

9. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



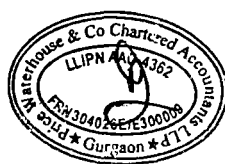
INDEPENDENT AUDITOR'S REPORT

To the Members of Insilco Limited
Report on audit of the Financial Statements
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10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
11. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
12. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
13. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

14. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
15. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

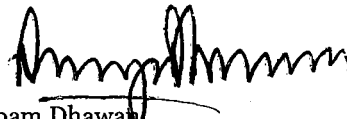


INDEPENDENT AUDITOR'S REPORT

To the Members of Insilco Limited
Report on audit of the Financial Statements
Page 5 of 5

- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 27 to the financial statements;
 - ii. The Company does not have derivative contracts and in respect of other long-term contracts there are no material foreseeable losses as at March 31, 2019;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2019.
 - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2019

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



Anupam Dhawan
Partner
Membership Number: 084451

Noida, Uttar Pradesh
May 20, 2019

Annexure A to Independent Auditors' Report

Referred to in paragraph 15 (f) of the Independent Auditors' Report of even date to the members of Insilco Limited on the financial statements for the year ended March 31, 2019

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Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Insilco Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.



Annexure A to Independent Auditors' Report

Referred to in paragraph 15 (f) of the Independent Auditors' Report of even date to the members of Insilco Limited on the financial statements for the year ended March 31, 2019

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Meaning of Internal Financial Controls with reference to financial statements

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

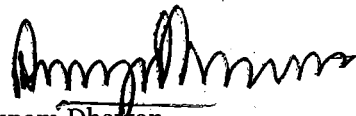
Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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



Anupam Dhawan
Partner
Membership Number: 084451

Noida, Uttar Pradesh
May 20, 2019

Annexure B to Independent Auditors' Report

Referred to in paragraph 14 of the Independent Auditors' Report of even date to the members of Insilco Limited on the financial statements as of and for the year ended March 31, 2019

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of property, plant and equipment and other intangible assets.
- (b) The property, plant and equipment are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the property, plant and equipment has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of immovable properties, as disclosed in Note 3 on property, plant and equipment and Note 4 on investment properties to the financial statements, are held in the name of the Company.
- ii. The physical verification of inventory (excluding goods in transit) have been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of goods and service tax and provident fund, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including employees' state insurance, sales tax, income tax, service tax, duty of customs, duty of excise, value added tax and other material statutory dues, as applicable, with the appropriate authorities. Also refer note 27 to the financial statements regarding management's assessment on certain matters relating to provident fund.



Annexure B to Independent Auditors' Report

Referred to in paragraph 14 of the Independent Auditors' Report of even date to the members of Insilco Limited on the financial statements for the year ended March 31, 2019

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- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, service-tax, duty of customs, duty of excise which have not been deposited on account of any dispute. The particulars of dues of sales tax and value added tax as at March 31, 2019 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in '000)	Period to which the amount relates	Forum where the dispute is pending
Central Sales Tax Act, 1956	Central Sales Tax	275	2005-06	Joint Commissioner of Sales Tax (Appeals)
West Bengal Value Added Tax, 2003	Penalty	107*	2010-11	West Bengal Taxation Tribunal
Uttar Pradesh Value Added Tax Act, 2008	Value Added Tax	648	2013-14	Commercial Tax Tribunal
Uttar Pradesh Value Added Tax Act, 2008	Value Added Tax	777	2015-16	Assistant Commissioner of Commercial Tax (Appeals)

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

- viii. As the Company does not have any loans or borrowings from any financial institution or bank or Government, nor has it issued any debentures as at the balance sheet date, the provisions of Clause 3(viii) of the Order are not applicable to the Company.
- ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.




Annexure B to Independent Auditors' Report

Referred to in paragraph 14 of the Independent Auditors' Report of even date to the members of Insilco Limited on the financial statements for the year ended March 31, 2019

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- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

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



Anupam Dhanwan
Partner
Membership Number: 084451

Noida, Uttar Pradesh
May 20, 2019

Note no. 35

"The Company was informed by the Uttar Pradesh Pollution Control Board (UPPCB) that pursuant to the order of Hon'ble National Green Tribunal (NGT) dated April 26, 2017 in the matter of 'M. C. Mehta Vs. Union of India and Others' relating to cleaning of river Ganga, 15 industrial units of 13 companies in Gajraula including unit of Insilco Limited, in the catchment of the river Bagad which leads to the river Ganga, had been ordered to be shut down. In compliance with the same, the Company had shut down its Plant at Gajraula. The matter was again heard on May 8, 2017, where the Company's plant was allowed to resume its operations with certain directions and the Company restarted its plant on May 9, 2017. The directions of NGT, inter-alia, included that the Company would put forward its case before a Joint Inspection Team (JIT) and the JIT will submit its report within two weeks from May 8, 2017. Pursuant to such directions, the JIT visited the plant of the Company on May 23, 2017 and the Company demonstrated and put its case before the said team. On July 13, 2017, NGT pronounced its detailed judgement, which has, inter-alia, given powers to the JIT to issue directions to various companies under the provisions of the Water (Prevention and Control of Pollution) Act, 1974 and Environmental (Protection) Act, 1986. The Company has filed a Caveat in NGT so that no orders are passed without giving the Company an opportunity of being heard. In response to the Company's application for renewal of water and air consent for its plant, the Company received a letter dated January 12, 2018 from UPPCB intimating to the Company the recommendations of JIT. The Company had replied to the same a summary of which was sent to Bombay Stock Exchange vide the Company's letter dated January 22, 2018.

A consent for the calendar year 2018 under The Water (Prevention and Control of Pollution) Act, 1974 was issued to the Company by UPPCB and was available in its website on June 12, 2018. This consent dated May 8, 2018 included detailed conditions relating to discharge of the industrial effluent generated by the Company. One of the specific conditions inter-alia states that Insilco to request IIT Roorkee for their comments in its final report with respect to ZLD and Insilco to ensure ZLD by way of recycling the treated effluent or other methodology recommended by IIT Roorkee and approved by Central Pollution Control Board (CPCB) by December 31, 2018. The Company has received a final draft report dated 22nd November, 2018 from IIT Roorkee under its signature, which the Company has shared with UPPCB, with a request that professors of IIT Roorkee would like to meet UPPCB to discuss the said report before issuing the final report. The Company is yet to receive any communication from UPPCB in this regard.

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

Saurabh Mehta

