

CORPORATE GOVERNANCE REPORT FOR THE YEAR 2009-2010

1. Company's Philosophy on Corporate Governance

Your Company, as part of the Evonik Group, believes in the concept of Good Corporate Governance involving transparency, empowerment, accountability, equity and integrity with a view to enhance stakeholders value. The Company believes that sound Corporate Governance practice provides an important framework to assist the Board in fulfilling its responsibilities. The Company has professionals on its Board of Directors.

2. BOARD OF DIRECTORS

2.1 Composition of Board

The Board of Insilco Limited consists of an optimum combination of Executive and Non-Executive Directors to ensure independent functioning of the Board. The Board has 7 Members comprising 1 Executive and 6 Non - Executive Directors. Out of Non Executive Directors, 3 are Independent Directors. The Chairman of the Board is an Independent Director. The Composition of the Board is in conformity with clause 49 of the listing agreement relating to the composition in terms of non-executive/independent directors.

None of the Directors on the Board is a member of more than 10 Committees or Chairman of more than 5 committees as specified in Clause 49, across all the companies in which he is a Director. The Directors have made necessary disclosures regarding committee positions in other companies as at 31st March 2010.

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 2010 are given below:

Name of the Director	Category	Designation	No. of Directorships, committee chairmanships/ memberships		
			Other Directorships #	Committee Chairmanship ##	Committee Memberships ##
Mr. Dara Phirozeshaw Mehta	Non Executive, Independent	Chairman	4	1	-
Mr. Matthias Hau	Executive	Managing Director	Nil	Nil	Nil
Dr. Florian Bertram Kirschner*	Executive@ Non Executive@@	Whole Time Director Director	Nil	Nil	Nil
Mr. Hans Wolfgang Wilhelm Kirches	Non Executive, Non Independent	Director	Nil	Nil	Nil
Dr. Mustafa Siray	Non Executive, Non Independent	Director	Nil	Nil	Nil
Dr. Gurand Singh Sodhi	Non Executive, Independent	Director	Nil	Nil	Nil
Mr. Keki Manchersha Elavia	Non Executive, Independent	Director	10	4	3
Mr. Andreas Bernd Fischer**	Non Executive, Non Independent	Director	Nil	Nil	Nil

Excludes Directorship held in Private Limited Companies, Foreign Companies, Companies formed under Section 25 of the Companies Act, 1956, Directorships held as an Alternate Director and Membership of Managing Committees of Chambers of Commerce /Professional Bodies.

In accordance with Clause 49, Chairmanships/ Memberships of only Audit Committee and Shareholders/Investors Grievance Committees of All Public Limited Companies (Excluding Insilco Limited) have been considered.

- * Ceased to be Director w.e.f. 15th October 2009
@ Executive Director till 31st May 2009
@@ Non Executive Director from 1st June 2009 till 15th October 2009
- ** Appointed as Additional Director w.e.f. 15th October 2009

2.3 BOARD MEETINGS AND PROCEDURE

A. BOARD PROCEDURE

The tentative annual calendar of meetings is determined at the beginning of each calendar year. The Board meetings are governed by a structured agenda and agenda papers are supported by comprehensive background information to enable directors to take informed decisions. The Managing Director and Company Secretary in consultation with other directors and members of Senior Management, finalise 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 members for facilitating meaningful, informed and focused decisions at the meetings. In case of exigencies or urgency resolution are passed by circulation.

The required information as enumerated in Annexure IA to clause 49 of the listing agreement is made available to the Board of Directors for discussions and consideration at Board Meetings.

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.

The Board periodically reviews compliance reports made by the 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 2009-10

There were held four Board Meetings during the financial year ended 31st March 2010. The Board meets at least once in a quarter with intervening gap of not more than four months as prescribed under Clause 49 of the listing agreement.

The details of the Board meetings held during the year 2009-2010 are as under:

Sl. No.	Date	Board Strength	No. of Directors Present
1	14 th May 2009	7	5
2	24 th July 2009	7	5
3	15 th October 2009	7	4
4	22 nd January 2010	7	5

C. Attendance of Directors at Board Meetings held during the financial year 2009-2010 and at the 21st Annual General Meeting (AGM)

Name of the Director	Attendance		Whether Attended last AGM held on 24 th July 2009
	No. of Meetings Held during the tenure	Meetings Attended	
Mr. Matthias Hau	4	4	Yes
Mr. Dara Phirozeshaw Mehta	4	4	Yes
Dr. Florian Bertram Kirschner*	3	1	No
Mr. Hans Wolfgang Wilhelm Kirches	4	0	No
Dr. Mustafa Siray	4	2	Yes
Dr. Gurnad Singh Sodhi	4	4	Yes
Mr. Keki Manchershaw Elavia	4	3	Yes
Mr. Andreas Bernd Fischer**	1	1	NA

*Ceased to be director w.e.f. 15th October 2009

** Appointed as director w.e.f. 15th October 2009

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 2010.

The Declaration of Managing Director regarding compliance with Code of Conduct by Directors and Senior Management Personnel is attached to this report.

3. COMMITTEES OF THE BOARD

There are four committees of the Board namely:

1. The Audit Committee
2. The Remuneration Committee
3. The Investors Grievance Committee
4. The Risk Assessment Committee

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 from committee. The minutes of the meetings of all Committees of the Board are placed before the Board for discussions/noting. The role and composition of these committees alongwith terms of reference of these committees and details of the committee meetings held during the financial year 2009-2010 and related attendance are provided below:

3.1 AUDIT COMMITTEE

The Audit Committee of the Company is constituted in line with the provisions of Clause 49 of the Listing agreement with stock exchange read with Section 292A of the Companies Act, 1956.

A. Terms of reference

The terms of reference of the Audit Committee covers all matters specified under Clause 49 of the listing agreement with stock exchange read with Section 292A of the Companies Act, 1956 which interalia includes the following:

The Audit Committee shall have 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 shall include 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. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. 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 sub-section (2AA) of Section 217 of the Companies Act, 1956.
 - Changes, if any, in accounting policies and practices and reasons for the same.
 - Major accounting entries involving estimates based on the exercise of judgement 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.
5. Reviewing with the management, the quarterly financial statements before submission to the Board for approval.
- 5A. 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.
6. Reviewing with the management, the performance of Statutory and Internal Auditors, adequacy of internal control systems & to ensure compliance of internal control systems.

7. 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.
8. Discussion with Internal Auditors, any significant findings and follow up thereon and scope of Internal audit.
9. 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.
10. Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain areas of concern including observations of auditors.
11. To look into the reasons for substantial defaults in the payment to the depositors, debentureholders, shareholders (in case of non-payment of declared dividends) and creditors.
12. To review the functioning of the Whistle Blower Mechanism, if any.
- 12A. 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.
13. 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.
14. 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.

15. The appointment, removal and terms of remuneration of the Chief Internal Auditor if any shall be subject to review by the Audit Committee.
16. To review and monitor management responsiveness to findings and recommendations of Internal Auditors.
17. Review the Company's Compliance with employees benefits plans.
18. Oversee and review the Company policies regarding information technology and management information systems.

B. Composition

The Audit Committee presently comprises Four Non - Executive Directors, out of which three are Independent Directors. The Chairman of the Audit Committee is an Independent Director. The Composition of Audit Committee meets the requirements of Section 292A of the Companies Act, 1956 and Clause 49 of the listing Agreement.

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

The composition of the Audit Committee is given below:

Name of Members	Category	Designation
Mr. Dara P. Mehta,	Non Executive, Independent	Chairman
Mr. Hans Wolfgang Wilhelm Kirches	Non Executive, Non Independent	Member
Dr. Gurnad Singh Sodhi	Non Executive, Independent	Member
Mr. Keki Manchersha Elavia*	Non Executive, Independent	Member

* Appointed as member w.e.f. 24th July 2009

The Chairman of the Audit Committee, Mr. Dara P. Mehta was present at the 21st Annual General Meeting of the Company held on 24th July 2009 to answer the queries of shareholders. The Managing Director, Vice President (F & A) & Company Secretary and Deputy Company Secretary are permanent invitees to the Audit Committee Meetings. The representative of the Statutory Auditors and Internal Auditors are invited to attend the Audit Committee Meeting as and when required. The Company Secretary of the Company acts as Secretary to the committee.

C. Meetings and Attendance

Details of Audit Committee Meetings held during the financial year 2009-2010

There were held four Audit Committee Meetings during the financial year ended 31st March 2010. The dates on which meetings were held are as follows:

Sl. No.	Date	Committee Strength	No. of Members Present
1	14 th May 2009	3	2
2	24 th July 2009	3	2
3	15 th October 2009	4	3
4	22 nd January 2010	4	2

The intervening period between two audit committee meetings was well with in the maximum gap of four months prescribed under Clause 49 of the listing agreement.

Attendance at Audit Committee Meetings held during the financial year 2009-10:

Name of Members	Attendance	
	No. of Meetings Held during the tenure	Meetings Attended
Mr. Dara P. Mehta, Chairman	4	4
Mr. Hans Wolfgang Wilhelm Kirches	4	0
Dr. Gurnad Singh Sodhi	4	4
Mr. Keki Manchersha Elavia	2	1

3.2 Remuneration Committee:

A. Terms of Reference

- 1) To approve the remuneration and commission/incentive remuneration payable to the Executive Directors.
- 2) Such other matter as Board may from time to time request the Remuneration Committee to examine and recommend.

B. Composition

The composition of the remuneration committee is given below:

Name of Members	Category	Designation
Mr. Hans Wolfgang Wilhelm Kirches	Non Executive, Non Independent	Chairman
Mr. Dara P. Mehta*	Non Executive, Independent	Member
Dr. Mustafa Siray	Non Executive, Non Independent	Member
Mr. Keki Manchersha Elavia	Non Executive, Independent	Member
Dr. Gurnad Singh Sodhi**	Non Executive, Independent	Member

*Appointed as Member w.e.f. 24th July 2009

**Appointed as Member w.e.f. 14th May 2009

C. Meetings and Attendance

There was held one remuneration committee meeting during the financial year ended 31st March 2010. The date on which meeting was held is as follows:

Sl. No.	Date	Committee Strength	No. of members present
1	14 th May 2009	4	2

D. Attendance at Remuneration Committee Meeting held during the financial year 2009-10:

Name of Members	Meetings during the financial year 2009-2010	
	No. of Meetings Held during the tenure	Meetings Attended
Mr. Hans Wolfgang Wilhelm Kirches, Chairman	1	0
Dr. Mustafa Siray	1	0
Mr. Keki Manchershah Elavia	1	1
Dr. Gurnad Singh Sodhi	1	1
Mr. Dara P. Mehta	0	0

E. Remuneration Policy

The remuneration of executive directors of the Company is being paid as approved by the Board of Directors and Shareholders of the Company. The Remuneration Committee recommends the remuneration for executive directors before the same is considered by Board of Directors/Shareholders.

The remuneration is fixed keeping in view the overall limit laid down under the Companies Act, 1956 and also considering the overall financial results of the Company.

a. Executive Directors

Detail of the remuneration paid to Executive Directors for the Financial Year 2009 -2010

Name of Director	Designation	Salaries (Rs.)	Benefits (Rs.)	Provident Fund (Rs.)	Total (Rs.)
Mr. Matthias Hau	Managing Director	21,00,000	53,49,834	4,62,000	79,11,834
Dr. Florian Bertram Kirschner*	Whole Time Director & Vice President - Technology & Plant Manager	3,00,000	3,79,746	0	679,746
Total		24,00,000	57,29,580	4,62,000	85,91,580

* Ceased to be Vice President -Technology & Plant Manager w.e.f. 31st May 2009 and consequently Whole Time Director

Period of Contract, Notice period & Severance fees

Name	Designation	Period of Contract	Notice Period	Severance Fees
Mr. Matthias Hau	Managing Director	5 Years w.e.f. 1 st May 2005 2 Years w.e.f. 1 st May 2010	6 Months notice in writing by either side	6 Months Basic Salary
Dr. Florian Bertram Kirschner*	Whole Time Director & Vice President - Technology & Plant Manager	3 Years w.e.f. 20 th July 2006 as Whole Time Director 4 Years w.e.f. 1 st August 2005 as Vice President - Technology & Plant Manager	Nil 3 Months notice in writing by either side	Nil 3 Months Basic Salary

* Ceased to be Vice President -Technology & Plant Manager w.e.f. 31st May 2009 and consequently Whole Time Director

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 2010.

The Non Executive Directors are not paid any remuneration other than the sitting fee to Non Executive Independent Directors. The Non executive independent directors are entitled to sitting fees for attending meetings of the Board and the committees thereof as approved by the shareholders. The sitting fees as determined by the Board are presently Rs. 20,000 for attending each meeting of Board, Audit Committee, Investors Grievances Committee and Remuneration Committee.

The Details of Sitting Fees paid to Non - Executive Independent Directors during the financial year 2009-2010 are as under:

Name of Directors	Sitting Fees (Rs.)				Total
	Board Meeting	Audit Committee Meeting	Investors Grievance Committee Meeting*	Remuneration Committee Meeting*	
Mr. Dara P. Mehta	80,000	80,000	60,000	NA	2,20,000
Dr. Gurnad Singh Sodhi	80,000	80,000	20,000	10,000	1,90,000
Mr. Keki Manchersha Elavia	60,000	20,000	NA	10,000	90,000

* The sitting fees of Investors Grievance Committee Meeting and Remuneration Committee Meeting have been increased from Rs. 10,000 per meeting to Rs. 20,000 per meeting by the Board w.e.f. 24th July 2009.

Employee Stock Option Scheme

The Company does not have any employee stock option scheme.

3.3 Shareholders/Investors Grievance Committee

A. Terms of Reference

The Investors Grievance 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.

B. Composition

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

The composition of the Investors Grievance Committee is given below:

Name	Category	Designation
Mr. Dara P. Mehta	Non-Executive, Independent	Chairman
Mr. Matthias Hau	Executive	Member

Dr. Florian Bertram Kirschner *	Executive@ Non-Executive@@	Member
Dr. Gurnad Singh Sodhi**	Non-Executive, Independent	Member

* Ceased to be member w.e.f. 15th October 2009

@ Executive Director till 31st May 2009

@@ Non Executive Director from 1st June 2009 till 15th October 2009

** Appointed as member w.e.f. 15th October 2009

C. Meetings and Attendance

Details of Meetings held during the financial year 2009-2010

There were held four Investors Grievance Committee Meetings during the financial year ended 31st March 2010. The dates on which meetings were held are as follows:

Sl. No.	Date	Committee Strength	No. of Members Present
1	14 th May 2009	3	3
2	24 th July 2009	3	2
3	15 th October 2009	3	2
4	22 nd January 2010	3	3

D. Attendance at Investors Grievance Committee Meetings held during the financial year 2009-2010

Name of Members	Attendance	
	No. of Meetings Held during the tenure	Meetings Attended
Mr. Dara P. Mehta, Chairman	4	4
Mr. Matthias Hau	4	4
Dr. Florian Bertram Kirschner	3	1
Dr. Gurnad Singh Sodhi	1	1

E. Name and Designation of Compliance Officer:

Mr. Brijesh Arora, Vice President (F & A) & Company Secretary.

The Contact details are as follows:

Address	Telephone Number	Fax Number
DLF Building No. 9, Tower B, 12 th Floor, Offices no. 1 & 2, DLF Cyber City, Phase III, Gurgaon-122002	0124 - 4874555	0124- 4874553

F. Details of the Complaints received and redressed:

Opening	Received during the year	Resolved during the year	Closing Balance
0	99	99	0

3.4 Risk Assessment Committee

The Company has constituted a Risk Assessment Committee to monitor and review the risk management activities of the Company on regular basis. The Committee comprises of the Managing Director and senior management personnel of the Company. The framework for risk assessment and minimization thereto has been evaluated and company takes adequate measures for mitigating such assessed risk.

There was held one meeting of Risk Assessment Committee during the financial year ended 31st March 2010. The details of the meeting are given below:

Sl. No.	Date	Committee Strength	No. of members Present
1	12 th January 2010	6	5

4. SUBSIDIARY

The Company does not have a subsidiary.

5. DISCLOSURES

5.1 Disclosures of related party transactions

The required disclosures with respect to the related party transactions, if any were duly made to Audit Committee on a quarterly basis in terms of Clause 49(IV)(A) and other applicable laws.

There are no materially significant related party transactions of the Company which have potential conflict with the interest of Company at large. The related party transactions have been disclosed under note 4 forming part of Annual Accounts.

The Company has made sales to fellow subsidiary during Financial Year 2009-2010 as under:

Evonik Degussa Africa PTY Ltd. : Rs. 9,44,260

The Company has received marketing support services from Evonik Degussa India Private Limited and fees paid for these services for the financial year 2009-2010 is Rs. 10,604,140.

5.2 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

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

The Company has not adopted a Whistle Blower Policy. The Company has not denied access to any personnel to approach the management on any issue.

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

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

5.5 Disclosure of Accounting Treatment

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

5.6 Detail of Public Funding

We have not obtained any public funding during the financial year ended 31st March 2010

5.7. Inter-se Relationship between directors of the Company

None

6. Management

Management discussion and analysis of results of operations and financial condition is included in the Annual Report for the financial year 2009-2010 and this report contains all the applicable information specified under Clause 49 of listing agreement. The disclosures have been made by all Senior Management Personnel for the financial year 2009-2010 regarding all material, financial and commercial transactions where they have a personal interest, that may have a potential conflict with interest of the Company at large.

7. Shareholders

The brief resume of all the directors retiring by rotation and re-appointed are available in this report in the notice of the 22nd 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.

8. CEO/CFO Certification

The Certificate required under Clause 49(V) of the listing agreement duly signed by CEO and CFO has been given to Board and attached as Annexure – I to this report. As required by clause 49 of the listing agreement, the certificate signed by CEO & CFO was placed before the board of directors at its meeting held on 17th May 2010.

9. The Company submits a Quarterly compliance report on corporate governance signed by Compliance officer to the Stock Exchange with in 15 Days from the close of the Quarter.
10. The Statutory Auditors certificate, as stipulated in Clause 49 of the listing agreement with Stock Exchange that Company has complied with conditions of corporate governance is annexed to the Directors Report. This certificate will be forwarded to the Stock Exchanges alongwith the Annual report of the Company.

11. Means of Communications

- 11.1 Quarterly Results:** The quarterly results of the Company are announced within one month of completion of the quarter. Audited Annual Results are announced within two months from the end of the financial year. The Company regularly intimates unaudited as well as audited financial results to the stock exchanges, immediately after these are approved. The quarterly and annual financial results are normally published in “Financial Express, All India Edition (English Language)” and “Jansatta (Vernacular Language)”.
- 11.2 Annual Report:** Annual Report containing inter-alia Audited Accounts, Directors’ Report, Management Discussion and Analysis Report (MD & A), Auditors’ Report, Corporate Governance Report including information for Shareholders and other important information is circulated to the members and others entitled thereto.
- 11.3** The Company also ensures that financial results are promptly and prominently displayed on Company Website www.insilcoindia.com.
- 11.4** The Company also posts its shareholding pattern and financial results in the EDIFAR system of SEBI at the website www.sebiedifar.nic.in.
- 11.5** The official news releases and presentation to institutional investors and analysts whenever made by the Company are displayed on the Company’s Website.

12. General Body Meetings

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

General Meeting	Date	Time	Location	Special Resolutions Passed
21st Annual General Meeting	24 th July 2009	1030 hrs	A-5, UPSIDC Industrial Estate, Bhartiagram, Gajraula - 244223, Uttar Pradesh	Re-appointment of Mr. Matthias Hau as Managing Director
20th Annual General Meeting	10 th September 2008	1200 hrs	A-5, UPSIDC Industrial Estate, Bhartiagram, Gajraula - 244223, Uttar Pradesh	None

19th Annual General Meeting	26 th October 2007	1015 hrs	A-5, UPSIDC Industrial Estate, Bhartiagram, Gajraula - 244223, Uttar Pradesh	i. Redemption of Zero Interest Secured Redeemable Non Convertible Debentures. ii. Alteration in Articles of Association for the change in the name of the Promoter Company.
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12.1 Postal Ballot:

No Special Resolution requiring a postal Ballot is proposed for ensuing Annual General Meeting.

13. GENERAL SHAREHOLDERS INFORMATION

13.1 Particulars of ensuing Annual General Meeting

Date	3 rd August 2010
Time	11.00 a.m.
Day	Tuesday
Venue	A-5, UPSIDC Industrial Estate, Bhartiagram, Gajraula-244223, Uttar Pradesh
Financial year	31 st March 2010
Book Closure dates	30 th July 2010 to 3 rd August 2010 (both days inclusive)
Dividend Payment Dates	We have not recommended any dividend for financial year 2009-10.

13.2 Financial Calendar 2010-2011 (Tentative)

Financial Year 2010-11	
1 st Quarter Results for quarter ending 30 th June 2010	August 2010
2 nd Quarter Results for quarter ending 30 th September 2010	October / November 2010
3 rd Quarter Results for quarter ending 31 st December 2010	January / February 2011
4 th Quarter Results for quarter ending 31 st March 2011	May 2011
23rd Annual General Meeting	July / August 2011

13.3. Listing on Stock Exchange (With Stock Code)

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

13.4 Listing Fee

Annual listing fee for the year 2010-2011 has been paid to Bombay Stock Exchange.

13.5 ISIN No. in NSDL & CDSL: INE901A01011

The Company has paid the annual custodial fees for the year 2010-11 to both depositories namely National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

13.6 Stock Market Data

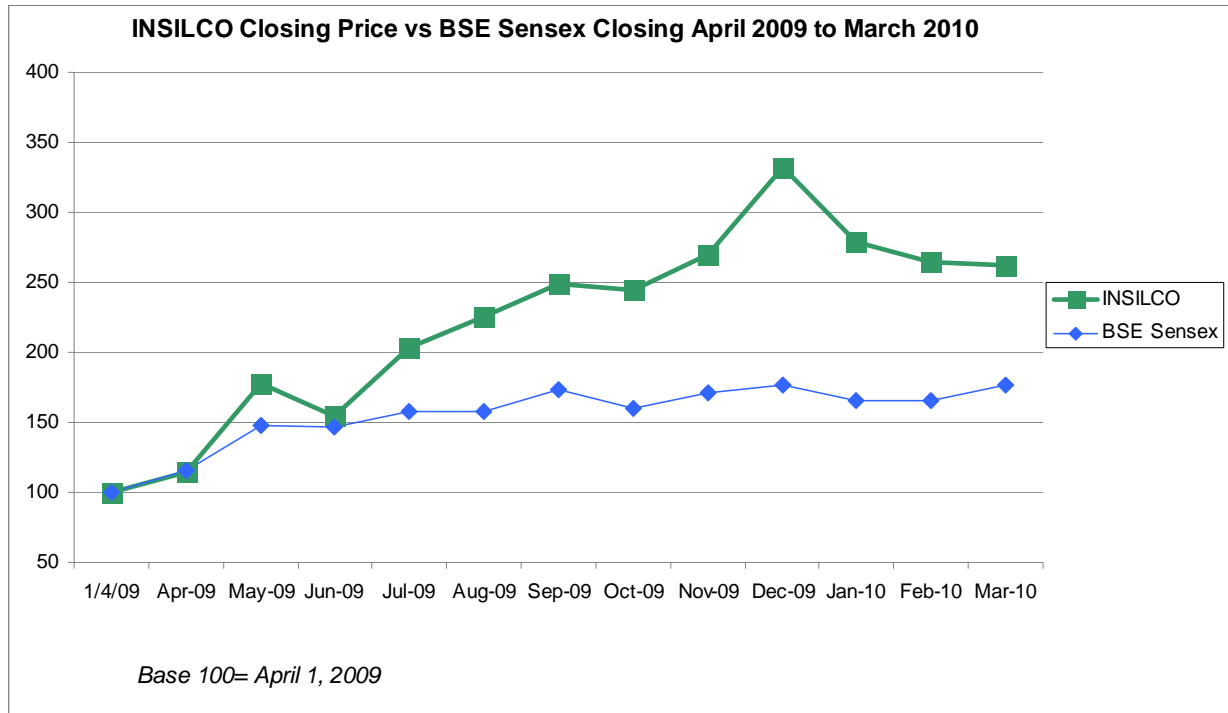
The Monthly High/Low stock prices of Company Equity Shares at Bombay Stock Exchange and BSE Sensex during financial year 2009-2010 are given below:

Month	Bombay Stock Exchange			
	Insilco Share Price		BSE Sensex	
	High (Rs.)	Low (Rs.)	High	Low
April 2009	10.00	6.30	11492.1	9546.29
May 2009	12.37	7.40	14930.54	11621.30
June 2009	13.99	9.55	15600.30	14016.95
July 2009	14.50	10.01	15732.81	13219.99
Aug 2009	16.50	12.22	16002.46	14684.45
Sep 2009	21.75	13.55	17142.52	15356.72
Oct 2009	19.80	16.00	17493.17	15805.20
Nov 2009	21.80	15.90	17290.48	15330.56
Dec 2009	27.80	17.15	17530.94	16577.78
Jan 2010	24.85	19.05	17790.33	15982.08
Feb 2010	21.25	18.05	16669.25	15651.99
March 2010	21.00	17.00	17793.01	16438.45

Source: www.bseindia.com

13.7 STOCK PERFORMANCE IN COMPARSION TO BSE SENSEX

The performance of the Company's Closing Share price relative to the BSE Sensex for the year 2009-10 is given in the chart below:



13.8 Registrar and Transfer Agent

M/s. MCS Ltd.,
F-65, Ist Floor,
Okhla Industrial Area,
Phase-I,
New Delhi-110020.

Contact Details are:

Phone Numbers : 41406149/ 41406151/ 41406152/ 41709885/ 41609386
Fax number : 41709881
Email Address : mcscomplaintsdel@mcsdel.com

13.9 Share Transfer System

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

13.10 Share Transfer Committee

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

Composition

- i. Mr. Matthias Hau, Managing Director
- ii. Dr. Gurnad Singh Sodhi, Director
- iii. Mr. Brijesh Arora, Vice President (Finance & Accounts) and Company Secretary

The Committee met 24 times during the year.

Pursuant to Clause 47C of the listing agreement, certificate on quarterly basis confirming due compliance of Share Transfer formalities by Company and timely dematerialisation of shares as per SEBI (Depositories and Participants) Regulations, 1996 is sent to stock exchange.

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

13.11 Dematerialisation of Shares & Liquidity

The shares of the Company are in compulsory dematerialised segment and are available for trading system of both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

The details of the no. of shares held in dematerialised form and physical mode as on 31st March 2010 are as follows:

Name	Physical		Demat		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 Promoters	4,58,53,315	73.11	0	0	4,58,53,315	73.11
Others	31,83,927	5.08	1,36,77,758	21.81	1,68,61,685	26.89
Total	4,90,37,242	78.19	1,36,77,758	21.81	6,27,15,000	100

13.12 As on 31st March 2010, the Distribution of Shareholding of the Company was as follows:

No. of Equity Shares held	No. of Shares held	% to Total	No. of Shareholders	% to Total
1 to 500	60,18,741	9.60	4,3381	91.50
501 to 1000	18,86,565	3.01	2,284	4.82
1001 to 2000	13,82,988	2.21	892	1.88
2001 to 3000	6,97,555	1.11	269	0.57
3001 to 4000	4,73,628	0.76	131	0.28
4001 to 5000	6,60,524	1.05	137	0.29
5001 to 10000	12,69,542	2.02	166	0.35
10001 to 50000	26,97,655	4.30	134	0.28
50001 to 100000	6,28,385	1.00	10	0.02
100001 and above	4,69,99,417	74.94	8	0.01
Total	6,27,15,000	100	47,412	100

13.13 Shareholding Pattern of the Company as on 31st March 2010

Holder	No. of Shares	% to total
Promoters – Evonik Degussa GmbH (Formerly Degussa GmbH)	4,58,53,315	73.11
Residents (Individual)	1,42,39,341	22.71
Financial Institutions and Banks	23,780	0.04
Non-Resident Individuals/ OCBs	2,46,424	0.39
Indian Corporate Bodies/ Trusts	23,37,880	3.73
Mutual Funds/ Insurance Companies	14,260	0.02
Total	6,27,15,000	100.00

13.14 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.

13.15 Plant Location

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

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

F-65, Ist Floor,
Okhla Industrial Area,
Phase-I, New Delhi-
110020.

Following are the contact numbers:

Phone Numbers : 41406149/ 41406151/
41406152 /41709885/ 41609386
Fax number : 41709881
Email Address : mcscomplaintsdel@mcsdel.com

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

Office no. 1 & 2,
12th Floor,
DLF Building No. 9,
Tower B,
DLF Cyber City,
Phase III, Gurgaon-122002

Telephone : 0124-4874555
Fax No. : 0124- 4874553
Email address : insilco@evonik.com

Declaration by Chief Executive Officer (CEO)

I, Matthias Hau, Managing Director of Insilco Limited to best of my knowledge and belief hereby declare that all Board Members and Senior Management Personnel have affirmed compliance with the Company Code of Conduct during the financial year ended 31st March 2010.

Sd/-
Matthias Hau
Managing Director

Place: New Delhi
Date: 17th May, 2010

CHIEF EXECUTIVE OFFICER (CEO) & CHIEF FINANCIAL OFFICER (CFO)
CERTIFICATION FOR THE FINANCIAL YEAR 2009-10

We hereby certify to the Board that:

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

Sd/-

Matthias Hau
Managing Director

Sd/-

Brijesh Arora
Vice President (F&A) &
Company Secretary

Place: New Delhi

Date: 17th May 2010