

INSILCO LIMITED  
(Under Voluntary Liquidation wef 25.06.2021)  
CIN: L34102UP1988PLC010141

Regd. Office - A - 5, UPSIDC Industrial Estate, Bhartiagram, Gajraula, Distt. Amroha, U.P.-244223,  
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Statement of Standalone Un-audited Financial Results for the quarter ended June 30, 2023

(INR In lakhs)					
Sr. No.	Particulars	3 months ended (30/06/2023)	Previous 3 months ended (31/03/2023)	Corresponding 3 months ended in the previous year (30/06/2022)	Previous year ended (31/03/2023)
(Refer notes below)		Unaudited	Audited**	Unaudited	Audited
1	<b>Income</b>				
	(a) Revenue from operations	-	-	-	-
	(b) Other income (Refer note 5)	64	65	85	265
	<b>Total income</b>	<b>64</b>	<b>65</b>	<b>85</b>	<b>265</b>
2	<b>Expenses</b>				
	(a) Cost of materials consumed	-	-	-	-
	(b) Changes in inventories of work-in-progress and finished goods	-	-	-	-
	(c) Employee benefits expense (Refer note 7)	14	14	54	174
	(d) Depreciation and amortization expense (Refer note 3 (c))	-	1	*	2
	(e) Impairment loss on Property, Plant and Equipment and intangible assets (Refer note 3(c))	-	-	-	-
	(f) Power and fuel expense	8	7	9	32
	(g) Other expenses (Refer note 4 & 6)	163	186	164	814
	(h) Finance costs (Refer note 4)	-	-	1	1
	<b>Total expenses</b>	<b>185</b>	<b>208</b>	<b>228</b>	<b>1,023</b>
3	(Loss) before exceptional items and tax (1 - 2)	(121)	(143)	(143)	(758)
4	Exceptional items	-	-	-	-
5	(Loss) before tax (3 - 4)	(121)	(143)	(143)	(758)
6	<b>Tax expense</b>				
	(a) Taxes relating to earlier years	-	-	(17)	(16)
	(b) Income tax for the year	16	21	21	67
	<b>Total tax expense</b>	<b>16</b>	<b>21</b>	<b>4</b>	<b>51</b>
7	(Loss) for the period (5 - 6)	(137)	(164)	(147)	(809)
8	<b>Other comprehensive income, net of income tax</b>				
	A. (i) Items that will not be reclassified to profit or loss				
	- gain/(loss) on defined benefit obligation	-	-	-	-
	(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	-	-	-	-
	<b>Total other comprehensive (loss)/income, net of income tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
9	<b>Total comprehensive (loss)/income for the period (7 + 8)</b>	<b>(137)</b>	<b>(164)</b>	<b>(147)</b>	<b>(809)</b>
10	<b>Paid-up equity share capital (face value of the share Rs 10/- each)</b>	<b>6,272</b>	<b>6,272</b>	<b>6,272</b>	<b>6,272</b>
11	<b>Earnings per share (of Rs 10/- each) (not annualised)</b>				
	(a) Basic	(0.22)	(0.26)	(0.23)	(1.29)
	(b) Diluted	(0.22)	(0.26)	(0.23)	(1.29)
	See accompanying notes to the financial results				

\* Amount below the rounding off norm adopted by the Company.

\*\* Refer Note 11 below

**Notes to the financial results:**

- 1 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. These financial results for the quarter ended June 30, 2023 have not been prepared on a going concern basis. Please refer to note 3 below.
- 2 As Insilco Limited's (Company) 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.
- 3 A) **Preparation of financial statements not on a going concern**  
The Uttar Pradesh Pollution Control Board ("UPPCB") had, in October 2019 denied the Company's application for renewal of Consent to Operate its plant at Gajraula, Uttar Pradesh under the Water (Prevention and Control of Pollution) Act, 1974 and the Air (Prevention and Control of Pollution) Act, 1974 ("Consent to Operate") inter alia on the following ground:  
"The unit is using fresh water for dilution of effluent to achieve the norms of Sodium Absorption Ratio (SAR) 26. The study carried out by /IT Roorkee has not recommended any feasible method for treatment of the effluent to achieve the prescribed norms. The process of dilution with fresh water cannot be allowed. Keeping the facts in view the Consent to operate water/air application is hereby rejected. Unit may submit final report of IIT, Roorkee to Central Pollution Control Board, (CPCB) and seek suitable direction."  
The Company thus suspended the operations of its plant located at Gajraula in October 2019. The Company filed fresh applications on November 21, 2019, for Consent to Operate, however, the same were dismissed by the UPPCB vide order dated February 4, 2020. The Company challenged the aforesaid order by separate appeals under Section 28 of the Water (Prevention & Control of Pollution) Act, 1974 and Section 31 of the Air (Prevention & Control of Pollution) Act, 1981 respectively before the Special Secretary, Department of Environment, Forest and Climate, Uttar Pradesh against the orders of UPPCB. However, the Special Secretary vide its order dated December 4, 2020, dismissed the appeals filed by the Company. The operations at the plant located at Gajraula, Uttar Pradesh, which is the only plant of the Company, has remained suspended since October 2019.

The Board had reviewed the legal options available and was of the view that there were no merits in pursuing the matter any further. The Board of the Company reviewed various options of the way forward for the Company. The Board is of the opinion that there is no availability of business prospects nor any long-term financial resources that presents a financially viable alternative to carry on the business activities of the Company or to resume the operations of the Company in the foreseeable future. The Board granted in principle approval for the voluntary liquidation of the Company in its meeting dated March 30, 2021. The Board further passed a resolution dated May 31, 2021 and accorded its consent to voluntarily liquidate the Company in accordance with Section 59 of the Insolvency and Bankruptcy Code, 2016 and the regulations made thereunder. The Board of Directors were of the view that there are no realistic alternatives for resumption of the Company's operations and accordingly, use of the going concern basis of accounting in the preparation of the financial statements is considered inappropriate and the financial statements for the year ended March 31, 2023 and the financial results for the quarter ended Dec 31, 2022 and Dec 31, 2021 have not been prepared on a going concern.

**B) Voluntary liquidation process:**

- (i) The Board of Directors of the Company had decided to initiate the voluntary liquidation process as envisaged under the provisions of the Insolvency & Bankruptcy Code, 2016 ("Code"). In this regard, the Board granted its in - principle approval for initiating the voluntary liquidation process of the Company in its meeting dated March 30, 2021 and accordingly on May 31, 2021, the consent of the Board of Directors was accorded to initiate the voluntarily liquidation process of the Company in accordance with the provisions of Section 59 of the Code and appoint an Mr. Chandra Prakash, an Insolvency Professional who is duly registered with the Insolvency and Bankruptcy Board of India, as the Liquidator of the Company to conduct its liquidation process. The decision of the Board was also followed by similar resolutions being approved by the shareholders of the Company in the Extra-Ordinary General Meeting held on June 25, 2021 in accordance with Section 59(3)(c)(i) of the Code. Furthermore, on June 29, 2021 the said resolutions have also been approved by the Creditors representing two-thirds in value of the debt of the Company as required under the Section 59(3) of the Code.
- (ii) Accordingly, with effect from June 25, 2021, the Company is under voluntary liquidation process and Mr. Chandra Prakash (having registration no. IBBI/IPA-002/IP-N00660/2018-2019/12023) has been appointed as the Liquidator of the Company, who is discharging his functions and duties provided in the Code and the IBBI (Voluntary Liquidation Process) Regulations, 2017 ("VL Regulations").
- (iii) Upon his appointment as the Liquidator, the Liquidator published a public announcement calling upon all the stakeholders of the Company to submit their claims. The Public Announcement was published in accordance with Regulation 14 of the VL Regulations on June 30, 2021 and the last date of submission of claims as per the public announcement was July 25, 2021 (i.e. 30 days of the Liquidation Commencement Date).

As per the claims received by the Liquidator and consequent verification of the same, the status of claims as on September 7, 2023 is as under:

Particulars	INR in Lakhs		
	Claims Received	Claims Admitted	Outstanding as on Sept 7, 2023*
Employees and workman	87.92	86.9	Nil
Operational creditors	55.74	Nil	Nil

\* Claims aggregating INR 86.90 lakhs were admitted as per list of stakeholders which was published on the website of the Company as on 1 November 01, 2021. All the admitted claims of INR 86.90 lakhs, have been settled as on September 7, 2023.

(iv) The Board of Directors had, in the Board Meeting dated May 31, 2021, authorised the Liquidator to sell the immovable and movable properties and actionable claims of the Company in the voluntary liquidation process, by public auction or private contract, with power to transfer the properties to any person or body corporate as a whole, or in parts as per Regulation 31 of the VL Regulations. Accordingly, the Liquidator in exercise of the powers under Section 35 of the Code, had published a Sale Notice on August 23, 2021, wherein Expression of Interests (EOI) were invited from prospective bidders to participate in the sale of the assets of the Company on a "100% cash, as is where is and without recourse basis". A Process Document containing details of assets, process for participation in the sale and terms and conditions of the sale was also uploaded on the website of the Company, for the benefit of the prospective bidders. The last date for submission of the EOIs was September 09, 2021 which was later extended to October 1, 2021 vide Addendum 1 to the Process Document dated September 09, 2021. The eligible bidders who had submitted a full and complete set of EOI and pre-bid documents in accordance with the Process Document, were allowed to access to the virtual data room and also site-visits of the Plant of the Company. The Prospective Bidders were expected to carry out their own comprehensive due diligence in respect of the assets of Company and are deemed to have full knowledge of the title, conditions etc. of the assets of the Company.

(v) In furtherance to the Sale Notice and the Process Document, an E-Auction Sale Notice was also issued by the Liquidator on November 16, 2021 for sale of assets pertaining to the plant situated at Gajraula, Uttar Pradesh ("Gajraula Plant") and Non-Agricultural Freehold land admeasuring approx. 2,083 sq. yds. situated at Mehsana, Gujarat ("Mehsana Land"). Pursuant to the E-Auction Sale Notice, the eligible bidders, who had duly submitted the applicable Earnest Money Deposits (EMDs) for the respective assets, were invited to participate in the E-Auction of the aforesaid assets of the Company. The said E-Auction was conducted on November 26, 2021 and the results are as under:

a) Only one bid for INR 42 Cr (Reserve Price being INR 42 Cr) was received for composite sale of Rights to the leasehold land admeasuring approx. 67 acres located at Gajraula Industrial Area, Uttar Pradesh along with the buildings and structures standing on the lands and all other fixed assets of the Company including Plant & Machinery, Furniture & Fixtures, inventory etc. pertaining to Gajraula Plant (Disposal Group of assets). Accordingly, the bidder was declared a successful bidder and a Letter of Intent (LOI) was issued by the Liquidator. As per the terms of the LOI, the successful bidder was required to pay the entire amount as an advance towards the sale consideration (on or prior to April 30, 2022) and as on April 28, 2022 the entire balance amount has been received by the Company. Accordingly, the transfer processes with UPSIDA and execution of definitive documents for transfer of the assets has been initiated. The sale will be recognised in books at the time of transfer of assets and issuance of confirmation of sale by the Liquidator. As per the LOI the successful bidder was required to complete the transfer processes with UPSIDA and execute definitive documents on or before June 30, 2022. The transfer process with UPSIDA could not be completed by June 30, 2022 and accordingly, at the request of the successful bidder, extension was provided to the successful bidder for completion of the transfer process with UPSIDA and execution of definitive documents till September 30, 2022. The successful bidder, has been granted extension till February 28, 2023, to procure the requisite approvals from UPSIDA by the the Liquidator vide e-mail dated January 3, 2023, to complete the process (including obtaining requisite approvals from UPSIDA) for transfer of land at Gajraula in accordance with the terms of the Process Document and the LOI.

b) A successful bidder for Non-Agricultural Freehold land admeasuring approx. 2,083 sq. yds., Mehsana, Gujarat ("Mehsana Land") was declared with a financial proposal of INR 38.50 Lakhs (Reserve Price being INR 16.50 Lakhs) and an LOI was issued by the Liquidator. However, the successful bidder failed to pay the full consideration within prescribed timelines, despite various extensions granted by the Liquidator and the bid process failed as no other bidder who participated in the bid process confirmed to continue with their bids submitted in the Auction. After due deliberations, the Liquidator proceeded to sell the Mehsana Land by way to a private sale to a person offering INR 23 Lakhs which was higher than the Reserve Price fixed for the Mehsana Land. Entire sale consideration of INR 23 Lakhs has been received by the Company and the process for transfer of Mehsana Land has been completed. The transfer processes and execution of definitive documents for transfer of Mehsana Land has been completed and the sale has been recognised in the books during the quarter ended June 30, 2022. Net gain on disposal of the said investment property classified as held for sale amounting to INR 22 lakhs is recognised in other income.

(vi) Pursuant to Regulation 37 of VL Regulations, in the event of the liquidation process continues for a period of more than 12 (twelve) months, the liquidator is required to hold a meeting of the contributories of the Company within 15 (fifteen) days from the end of the 12 (twelve) months from the liquidation commencement date, and at the end of every succeeding twelve months till dissolution of the Company. Accordingly, pursuant to Regulation 37(2)(a) of the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process), Regulations, 2017, the Liquidator held 1st Annual Contributories Meeting of Insilco Limited (Under Voluntary Liquidation) on July 11, 2022 and subsequently 2nd Annual Contributories Meeting was held on [•] through Video Conferencing (VC)/Other Video Visual Means (OAVM) wherein an Annual Status Report indicating progress in liquidation of the Company was presented to the contributories attending the meeting.

(vii) Mr. Chandra Prakash, existing Liquidator of the Company, had informed the Board of the order dated 11 October 2022 passed by the Disciplinary Committee of the Insolvency and Bankruptcy Board of India ("IBBI") in exercise of the powers conferred under section 220 (2) of the Insolvency and Bankruptcy Code, 2016 ("Code") read with regulation 13 of the IBBI (Inspection and Investigation) Regulations, 2017 ("Order"). By way of the said Order, the IBBI has suspended the registration of Mr. Chandra Prakash as an insolvency professional, for a period of 1 (One) year. Subsequently, the Board of Directors with the approval of the members and creditors of the Company appointed Ms. Kapila Gupta, an Insolvency Professional who is duly registered with the Insolvency and Bankruptcy Board of India, as the Liquidator of the Company to replace Mr. Chandra Prakash as the liquidator of the Company.

#### C) Adjustments to carrying values and classification of assets and liabilities

(i) The Company's management has assessed carrying value of assets and liabilities and based on current estimates, following adjustments have been made in the books of account:

a) Impairment loss to the carrying values of Property, Plant and Equipment's (PPE) and Intangible assets aggregating to INR 1,424 Lakhs has been recognized in the books of account based on valuation report of an external independent valuer during the year ended March 31, 2021. The valuation is considered to be level 3 in the fair value hierarchy due to unobservable inputs used in the valuation. Valuation of PPE has been carried out on the basis of following key assumptions:

(i) Since the Zero Liquid Discharge (ZLD) is a mandatory requirement for setting up a new plant, the plant can no longer operate for manufacturing of silica. In view of the same the liquidation values of the assets have been considered by the independent valuer while making the estimate of recoverable amount. The basis for liquidation value approach considers the amount that would be realized when an asset or groups of assets are sold on a piecemeal basis that is without consideration of benefits (or detriments) associated with a going-concern business. A forced sale basis transaction with a shortened marketing period is considered for this valuation where the tangible assets are sold quickly, often for an extremely low percentage of their original cost.

(ii) For buildings, the method is based on estimation of the cost spent in reproducing the present day structure and thereafter applying liquidation discount in line with market norms and it is assumed that steel structure will fetch more value than the Reinforced Cement Concrete (RCC) on a piecemeal basis.

(iii) For Plant and Machinery and Other Assets, market approach of valuation has been adopted for estimating the reinstatement value/GCRC (gross current replacement cost). Combination of replacement method and comparison method is used for carrying out the valuation. Liquidation value analysis is carried out in line with market experience and expertise. These assets were categorised between specialised for silica plant and general items. The assets specific to the silica plant are considered at scrap value as per the independent valuers' report. whereas for general items the balance useful life and type of asset has been considered for estimation of liquidation value by the independent valuer.

b) Right of use assets (ROU) relating to leasehold land have been carried at cost as no loss is expected based on valuation report of an external independent valuer and LOI to the successful bidder. Sales comparison method under market approach of valuation has been adopted by the valuer for estimating the fair value of land. In an active or open market, the identical type of land parcel with similar characteristics are used for valuation. In case of unavailability of direct comparable, relevant adjustments are carried out on available quotes or transaction details with consideration of different factors affecting values of land for estimating the fair value. In order to determine the value of land parcel actual sales instances in the area have been considered. The rate for the subject property has been arrived by adjusting the factor for elapsed lease, size of the property and applying liquidation discount in line with market norms. Liquidation value analysis is carried out in line with market experience and expertise. The valuation is considered to be level 3 in the fair value hierarchy due to unobservable inputs used in the valuation. (Also refer note 3 (B) and 4).

c) Write down adjustment to the carrying values of Stores and spares aggregating to INR 130 Lakhs has been recognized in the books of account during the year ended March 31, 2021 based on valuation report of an external independent valuer. Valuation of stores and spares has been carried out on the basis of following key assumptions:

- For spares of general plant and machinery scrap value is considered as per the expert valuation report. For spares related to specialised plant and machinery NIL value has been considered.

d) Other assets have been recognised at current realizable value as per the Management's current estimate and loss allowance has been recognised during the period as mentioned below:

Particulars	INR in Lakhs			
	3 months ended (30/06/2023)	Previous 3 months ended (31/03/2023)	Corresponding 3 months ended in the previous year (30/06/2022)	Previous year ended (31/03/2023)
	Unaudited	Audited**	Unaudited	Audited
Loss allowance	9	54	25	116

e) Liabilities have been recognised to the extent there is a present obligation at the reporting date.

f) As at March 31, 2023, the Company is committed to dispose-off the assets and in view of LOIs to the successful bidders, as explained in note 3(b) above, the Company expects to recover the carrying value principally through a highly probable sale transaction within one year. Accordingly, in accordance with Ind AS 105, "Non-current Assets Held for Sale and Discontinued Operations", certain non-current assets aggregating to INR 614 Lakhs have been classified as 'Held for Sale' as at March 31, 2023. Liabilities directly associated with assets classified as held for sale amounts to INR 1 Lakh which is in relation to lease liability for leasehold land.

Particulars	INR in Lakhs	
	As at 30.06.23	As at 31.03.23
<b>a) Disposal group of assets:</b>		
Property, plant and equipment	367	367
Buildings	99	99
Right of use asset (lease hold land)	114	115
Inventory	17	18
Other assets	15	15
	<b>612</b>	<b>614</b>
<b>b) Investment property</b>	-	-
<b>Total</b>	<b>612</b>	<b>614</b>

Non-current assets classified as held for sale are measured at the lower of their carrying value and fair value less costs to sell. Further, as per the LOI, completion of sale of Disposal Group of assets is subject to execution of definitive documents upon receipt of UPSIDA approval for transfer of the leasehold.

(iii) Future course of action, during the voluntary liquidation process, being adopted for realisation of the Company's assets and settlement of its liabilities, might affect the classification and measurement of carrying values of assets and liabilities of the Company. Further adjustment, if any, will be made upon finalization of future course of action for realization of the Company's assets and settlement of its liabilities.

With respect to these matters mentioned in note 3(A),(B),(C), the Statutory Auditors qualified their audit reports for the year ended March 31, 2023 and review reports for the quarter ended December 31, 2022.

4 During the Financial Year 2018-19, responding to the Company's application to District Magistrate for issue of no objection certificate ("NOC") for its proposed LPG project at Gajraula, Uttar Pradesh, the Uttar Pradesh State Industrial Development Authority ("UPSIDA", earlier UPSIDC) had asked the Company to submit its approved building maps and certain information relating to change in shareholding of the Company / its promoters since execution of the lease with UPSIDA in the year 1989. Accordingly, on April 25, 2019 the Company had sent a letter to UPSIDA giving them necessary information regarding approved maps and the shareholding pattern of the Company as of March 31, 2019.

Consequently, a letter dated July 18, 2019 was received from UPSIDA asking the Company to submit certain information and documents to evaluate the quantum of transfer charges payable pursuant to change of the controlling interest in the Company by the promoters. The Company had submitted relevant documents and clarifications to UPSIDA in this regard. The Company had further submitted a request letter to UPSIDA to withdraw the letter dated July 18, 2019 issued by UPSIDA and not to levy any transfer fee on the Company.

The Company had, however, received a letter dated July 1, 2020 from UPSIDA for approval of the change in shareholding and directors subject to payment of transfer levy of Rs. 809 lakhs and stating that the approval shall be subject to certain terms and conditions such as 'restriction on transfer of controlling interest for 5 years, execution of fresh lease deed between UPSIDA and the Company, revision of lease rent to Rs. 6.82 lakhs per annum during the next 30 years and thereafter, and a further revision of lease rent to INR 13.64 lakhs per annum during the next 30 years'. UPSIDA had also sought an approved building plan regarding the Company's application for granting the NOC for the installation of proposed LPG project.

However, the Company felt that the above conditions levied were without any basis and were a resolute of UPSIDA's incorrect understanding of the facts submitted by the Company. The Company had, therefore, replied to UPSIDA vide letter dated July 8, 2020 with a request to provide rationale / reason for imposing transfer levy and terms and conditions thereof. The Company further stated that there is no change in controlling interest and accordingly transfer levy and other terms of this letter are not applicable to the Company. The Company had also requested UPSIDA to give an opportunity to present the case in person before the concerned UPSIDA officials once the pandemic situation has been brought under control.

In response to the Company's letter dated July 8, 2020, UPSIDA sent a letter dated July 24, 2020 to the Company and partially replied to the queries of the Company. In response to the UPSIDA letter, the Company had submitted an offer letter dated August 31, 2020 and mentioned that the offer letter is clearly incomplete as it does not provide any rationale/ reasoning for the additional levies imposed. The Company had further mentioned in its response that the conditions levied in UPSIDA offer letter are absolutely ill-founded, without any basis and not at all applicable under present circumstances. The Company had requested UPSIDA to cancel the imposition of transfer levy on the Company.

On December 24, 2020, the Company had deposited a sum of INR 866 lakhs (including interest of INR 57 lakhs) to UPSIDA under protest which had been expensed off in the books of accounts during the year ended March 31, 2021 under the note 6 "Other Expenses" as "Transfer Levy" to the extent of INR 809 lakhs and under "Finance costs" as interest on Transfer Levy to the extent of INR 57 lakh towards Transfer Levy and interest respectively. The Company vide letter dated December 24, 2020 intimated UPSIDA regarding payment of transfer levy under protest and again reiterated that while the transfer levy and any interest on the said amount are not payable, however, as a law-abiding organization, the Company had decided to remit the transfer levy and the interest amount 'under protest' and without prejudice to the Company's right under applicable laws and contract with UPSIDA. Further, the Company had reserved its right to initiate appropriate steps for seeking and obtaining refund of all amounts from UPSIDA.

The Company in the said letter reiterated its position and mentioned that there is no alteration of legal and factual position of tenancy of the Company with UPSIDA and hence, the new lease deed is not required to be executed by the Company in terms of aforementioned UPSIDA's letter dated July 1, 2020 and that the conditions levied in UPSIDA offer letter are absolutely ill-founded, without any basis and not at all applicable under present circumstances.

During the year that ended March 31, 2021, the Company has preferred a Writ Petition against UPSIDA titled "Insilco Limited v. State of U.P and Anr." being Writ Petition No. 9669 of 2021, before the Hon'ble High Court of Allahabad ("Hon'ble High Court") for quashing/ setting aside the Impugned letters dated July 1, 2020, July 24, 2020 and December 22, 2020 issued by UPSIDA, ("Writ Petition") through which UPSIDA has imposed the various conditions on the Company with respect to transfer levy, maintenance charges, increase in lease rent, execution of a fresh lease deed which will entail additional liability towards stamp duty & registration charges on the Company, revision of lease rent and restriction on the Company from transferring controlling interest for a period of 5 (Five) years from July 1, 2020.

The transfer of the leasehold rights of the Company to the successful bidder (identified in the auction process conducted for the transfer of assets of the Company in the voluntary liquidation process) is subject to a no-objection certificate from UPSIDA. The Company had vide its letter dated May 24, 2022 sought such NOC from UPSIDA, to which UPSIDA responded stating that UPSIDA will not be able to issue the NOC for transfer of the leasehold interest of the Company during the pendency of the Writ Petition. While, the Company's legal counsels had advised that the Company had a good case, however, they were not in a position to comment on the likely outcome of the proceedings since the matter was pending before the Hon'ble High Court for disposal. Since there was no visibility on the timeline for disposal of the Writ Petition, the Company had taken the decision to withdraw the Writ Petition so that the sale process may proceed. In light of the same, the Company had filed the application for withdrawal of the said Writ Petition before Hon'ble High Court. Accordingly, the Hon'ble High Court vide its order dated September 01, 2022 has allowed the Company's application for withdrawal of the Writ Petition with liberty to approach the Hon'ble Court in case the dispute is not settled amicably.

Further a Sale Certificate dated April 14, 2023 has been issued by the Liquidator of the Company for transfer of the leasehold rights of the Company on an "as is where is basis", "as is what is basis", "whatever there is basis" and "no recourse" basis to the successful bidder, which requires the successful bidder to enter into a new lease deed with UPSIDA and complete all processes with UPSIDA or otherwise to give effect to the transfer. On the basis of the sale certificate, an application has been filed with UPSIDA for seeking its consent for the transfer of the leasehold rights of the Company in favor of the successful bidder which is presently pending before UPSIDA.

Further adjustments, if any, will be made upon final resolution of the matter i.e on grant of NOC by UPSIDA. With respect to this matter, the Statutory Auditors qualified their audit reports for the quarter and year ended March 31, 2023.

5 Other income for the current and previous periods includes:

Particulars	(INR In lakhs)			
	3 months ended (30/06/2023)	Previous 3 months ended (31/03/2023)	Corresponding 3 months ended in the previous year (30/06/2022)	Previous year ended (31/03/2023)
	Unaudited	Audited**	Unaudited	Audited
Interest income on financial assets measured at amortised cost	64	65	62	241
Sale of Raw material, stores and spares	-	-	-	-
Net gain on disposal of property, plant and equipment	(22)	-	1	1
Net gain on disposal of investment property classified as held for sale	22	-	22	22
Miscellaneous income	-	-	-	1
<b>Other Income</b>	<b>64</b>	<b>65</b>	<b>85</b>	<b>265</b>

\* Amount below the rounding off norm adopted by the Company.

6 Other expenses for the current and previous periods includes:

(INR In lakhs)

Particulars	3 months ended (30/06/2023)	Previous 3 months ended (31/03/2023)	Corresponding 3 months ended in the previous year (30/06/2022)	Previous year ended (31/03/2023)
	Unaudited	Audited**	Unaudited	Audited
Consumption of stores and spare parts	-	-	-	-
Loss allowance	9	54	25	116
Information technology expenses	-	-	-	10
Maintenance charges	-	-	-	-
Insurance	1	3	2	8
Legal and professional expenses	97	92	79	358
Rates & Taxes	10	3	10	37
Fees paid to UPSIC for Map approval	-	-	-	136
Waste disposal expenses	1	2	1	8
Travelling and conveyance	-	1	1	3
Security expenses	18	19	20	77
Premises Upkeep	6	5	6	25
Directors Sitting Fee	5	1	3	8
Recruitment, Training and Relocation expense	-	-	1	-
Miscellaneous Expenses	16	6	16	28
<b>Other Expenses</b>	<b>163</b>	<b>186</b>	<b>164</b>	<b>814</b>

\* Amount below the rounding off norm adopted by the Company.

7 A. Conciliation Proceedings before Assistant Labour Commissioner

As reported earlier, the Company is in receipt of a communication dated July 7, 2021 from the office of Deputy Labour Commissioner/ Assistant Labour Commissioner (“DLC/ALC”) Moradabad signed by the ALC, on July 14, 2021 and July 16, 2021 issued under the provisions of the UP Industrial Disputes Act, 1947 and UP Industrial Dispute Rules, 1957. We understand that 37 (Thirty-Seven) ex-employees of Company had filed applications before the office of the DLC/ ALC seeking their reinstatement in the Company along with certain other reliefs from the Company. The ex-employees in their applications before the office of the DLC/ALC have alleged that their services were illegally terminated by paying the voluntary retirement scheme (“VRS”) and that the VRS was not specifically asked for by the employees. The nature of the complaints made by, and the reliefs sought by, all employees are similar. On behalf of the official liquidator (representing the Company), the local counsel, Mr. Anil Sharma, appeared before the ALC. It may be noted that out of the 37 (thirty-seven) employees, one employee had withdrawn his complaint. It may be further noted the Company sent its written submissions to the ALC via registered post on November 1, 2021. The local counsel has informed that these written submissions were officially taken on record in the hearing that took place on March 15, 2022. The submissions that the Company had filed, brought on record the facts of the case and the lack of merits in the complaints. The local counsel has informed that the proceedings before the ALC have now concluded as failed. In this regard, the local counsel has provided the Company with a noting dated March 18, 2022, issued by the ALC (“Noting”), which is in Hindi language, and he has confirmed that the Noting records that the conciliation proceedings have concluded as failed. Further, we have been provided with the copy of the order dated August 22, 2022, issued by the DLC in Hindi language. We understand from the translated copy of the order that the matter has been referred to the Labour Court for the purposes of adjudication. Basis our call with the local counsel, we understand that this order is in the nature of an intimation order, intimating the Company of the fact of the reference of the matter, and a summons will be separately issued to the Company for the purposes of appearing before the court and making the relevant submissions.

Thereafter, the Company has on October 21, 2022 received 35 (Thirty-five) summons in Hindi language, each dated October 17, 2022, from the Labour Court, Rampur, Uttar Pradesh (“Labour Court”), in relation to the applications filed by the ex-employees of the Company. We understand from a translated copy of the summons’ that the Company has been directed to be present through a duly authorised representative on November 18, 2022. On various subsequent dates, we understand that the Company through its local counsel, Mr. Anil Sharma, has filed authority letters in favour of the local counsel.

Thereafter, the cases were divided into (3) three groups by the Labour Court for convenience, being:

Group 1: Adj. Case No. 24/2022 to Adj. Case No. 35/2022  
Group 2: Adj. Case No. 36/2022 to Adj. Case No. 47/2022  
Group 3: Adj. Case No. 48/2022 to Adj. Case No. 58/2022

As on date, authority letters have been filed on behalf of the Company for all complaints. The local counsel has received the written statements on behalf of the Company for all groups of cases, which are to be exchanged with the ex-employees’ own written statements. Further, we have been informed that the local counsel has filed the written statements on behalf of the Company and has received the written statements on behalf of the ex-employees for all groups of cases, except that of (a) Mr. Rohit Kumar Baliyan (Adj. Case No.28/2022), who has not yet filed a written statement; and that of (b) Mr. Zakir Hussain (Adj. Case No. 32/2022), who we understand to have died and in his stead, his wife has filed an application for being impleaded into the proceedings as his legal heir, and no written statement has been filed on behalf of Mr. Zakir Hussain.

As such, we note that the ex-employees have sought the following prayers, vide their respective written statements: (a) reinstatement to their old employment at the Company, on a continuous basis from the date of termination of employment, along with full salary and other allowances payable to them from the date of the termination; and (b) interest at a rate of 20% per annum on the salary pertaining to the period when the ex-employees were allegedly out of work.

Furthermore, the local counsel has received the rejoinders on behalf of the Company for all groups of cases, which are to be exchanged with the ex-employees’ rejoinders to the written statements filed on behalf of the Company. It has been informed to us that while the local counsel has submitted the rejoinders on behalf of the Company in all groups of cases before the Labour Court, the rejoinders on behalf of the ex-employees are yet to be submitted to the Labour Court for exchange with the Company.

As far as matters within Group 1 Labour Cases are concerned, we have received certain objection applications that have been filed on behalf of the workmen, objecting to the signing of the Company’s written statement by the Liquidator, Ms. Kapila Gupta, and seeking rejection of the Company’s written statement on such grounds. We have filed individual replies to the aforementioned objection applications in Group 1.

The matter is now posted to the following dates:

1. Group 1 Labour Cases: Reply to the objections taken on record, next date of hearing not yet provided, however, the local counsel has stated that it will most likely be notified for the last date of September.
2. Group 2 Labour Cases: October 07, 2023 for filing of rejoinders by the workmen.
3. Group 3 Labour Cases: September 30, 2023 for filing of rejoinders by the workmen.

B. A suit numbered O.S. No. 449 of 2021 had been registered on September 13, 2021 ("Suit") before the Ld. Civil Judge (Senior Division) Amroha District Court ("Ld. Court"), instituted by 36 (thirty-six) former employees of the Company praying for a permanent injunction on the alienation of the machinery at the Insilco factory at Gajraula, Uttar Pradesh and revocation of the VRS offered to the employees. The suit has been registered by the Ld. Court and the Company had been directed to file its written statement in the suit vide order dated September 13, 2021.

Vide order of the same date, the Ld. Court refused to grant ex parte ad interim injunction in favour of the Plaintiffs on the ground that it is an employer-employee dispute and it would not be appropriate to grant such relief without hearing the Company. Accordingly, notice was issued to the Company in respect of the application.

Vide order of the same date, the Ld. Court appointed Court Commissioners to compile a report on and prepare a map of the factory of the Company to clarify the position relating to the machinery. The duly appointed Court Commissioners visited the premises of the factory of the Company on October 7, 2021. They are yet to file their report with the Ld. Court.

The Company has, through its Local Advocate, filed a Written Statement to the suit, reply to the Application for temporary injunction and other miscellaneous applications under Order VII Rule 11 read with Section 151 of the Code of Civil Procedure ("CPC") for rejection of the plaint owing to lack of cause of action against the Company and under Order I Rule 10 read with Section 151 of the CPC for substitution of the Defendant i.e. Manager, M/s Insilco Ltd with "The Liquidator, M/s Insilco Ltd" and also deletion of certain Defendants.

The Court Commissioners filed their report with the Ld. Court on April 11, 2022, which stated that the summons was duly served on the representatives of the Company present at the factory in Gajraula, but they were informed that the factory was not operational since October 26, 2019 due to the orders of the Uttar Pradesh Pollution Control Board. The report also notes that there is no evidence of any tampering with the machinery at the factory, while making a note of the general area of the factory and its surroundings.

In addition, the Plaintiffs in the Suit have filed a replication (response) to the Written Statement filed by the Company, as well as replies to the applications filed by the Company. Vide order dated July 25, 2022, the Ld. Court based on the pleadings filed by the parties was pleased to dismiss the injunction application filed by the Plaintiffs.

The Company's application under Order VII Rule 11 of the CPC was taken up for hearing on May 3, 2023. It was inter alia submitted on behalf of the Company that: (a) the jurisdiction of the Ld. Court is ousted as the Plaintiffs have also approached the Labour Court, Rampur; (b) no cause of action against the Company is disclosed in their plaints; (c) merely vague averments have been made in the plaints; and (d) the Plaintiffs' have suppressed material facts in respect of the Suit.

Vide order dated May 11, 2023, the Hon'ble Court passed its judgment allowing the Company's application under Order VII Rule 11 of the CPC and rejecting the Plaint filed by the ex-employees, on the ground that the jurisdiction of the civil court is barred and therefore, the Plaint itself is barred by law. The Suit has therefore been dismissed. The Company has filed certain caveats applications before the District Judge, Amroha District Court, to ensure that no appeal against the company shall be heard without the Company's presence. As on date no appeal has been filed by the workmen.

- 8 Clarification has been sought by The Bombay Stock Exchange regarding Movement in Price dated 09.09.2022. Company has replied to the said letter on 07.10.2022 mentioning that the Company is Under Voluntary Liquidation w.e.f. 25th June 2021 and there is no material relevant information / event having a bearing on the operations / performance of the Company which requires disclosures as per Regulations 30 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 ("Listing Regulations"). Further they have added that since the Shares of the Company are freely traded on the Bombay Stock Exchange, the Company is unable to comment on the Movement in Share Price of the Company. Pursuant to this Bombay stock exchange has suspended the trading in the share of company w.e.f., 07th October 2022.
- 9 In pursuant to the provisions of Section 196, 197 and 203 read with Schedule V of the Companies Act 2013, rules made thereunder and all other applicable provisions, if any of the Companies Act, 2013 and Article 92 of the Articles of Association of the Company, Mr. Vinod Parnal has been re-appointed as the managing director of the Company w.e.f. 01.05.2023 by the board of directors in its meeting held on 24.04.2023 for a further term of 2 years without any remuneration, which was approved by the members of the Company in their adjourned Extra-Ordinary General Meeting held on 31.07.2023.
- 10 The Company has appointed Mr. Rajeev Agarwal as a Chief Financial Officer of the Company w.e.f. 28.06.2023 in the board meeting dated 27.06.2023 to comply with section 203 (4) of the Companies Act, 2013, which requires the vacancy to be filled within the period of six months from 1st January, 2023, that is the date of such vacancy of CFO.
- 11 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.
- 12 Due to COVID-19 pandemic there is no major impact on the business of the Company as the plant operations had already been suspended since October 26, 2019 due to refusal of Consent to Operate by UP Pollution Control Board (UPPCB). The Company does not have any outstanding debt or other financing agreements. The Company has adequate digitized systems which ensured smooth internal financial reporting and control in this situation.
- 13 Previous year/period figures have been regrouped, wherever necessary.
- 14 This statement has been reviewed by the Audit Committee and approved by the Board of Directors and Liquidator in their meeting held on September 7, 2023.

**For Insilco Limited**  
**(Under voluntary liquidation wef 25.06.2021)**

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**Parnal Narayanan Vinod**  
**Managing Director**  
**DIN : 08803466**

**Place: Mumbai**

Kapila  
Gupta  
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by Kapila Gupta  
Date: 2023.09.07  
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**Kapila Gupta**  
**Liquidator of Insilco Limited**  
**[Registration no. IBBI/PA-001/  
IP-P-02564/2021-2022/13955]**  
**Place: Noida**

**Date: September 7, 2023**

We have signed this statement for identification purposes only and this Statement should be read in conjunction with our report dated September 7, 2023.

**For Shiv & Associates**  
**Firm Registration Number: 009989N**

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**Manish Gupta**  
**Partner**  
**Membership Number: 095518**

**Place: New Delhi**  
**Date: September 7, 2023**

**Independent Auditor's Limited Review Report on Unaudited Financial Results for the Quarter ended June 30, 2023**

To,  
The Board of Directors,  
Insilco Limited,  
Gajraula, Distt. Amroha  
Uttar Pradesh-244325

1. We have reviewed the unaudited financial results of Insilco Limited (the "Company") for the quarter ended June 30, 2023 which are included in the accompanying 'Statement of Standalone Unaudited Financial Results for the quarter ended June 30, 2023', (the "Statement"). The Statement has been prepared by the Company pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations, 2015"), which has been signed by us for identification purposes. The Statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement.

3. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

4. We draw your attention to the following matters:

a) Refer Note 3 (a) to the Statement is regarding suspension of the Company's manufacturing operations due to rejection of the Company's applications for water and air consent approvals by the U.P. Pollution Control Board (UPPCB) vide its order dated October 22, 2019. The Company's appeals before the Special Secretary, Department of Environment, UP have been dismissed by the Special Secretary vide orders dated December 4, 2020. As stated in the said note, the Board of Directors recommended voluntary liquidation of the Company and accordingly, use of the going concern basis of accounting in the preparation of the financial statements is considered inappropriate as there are no realistic alternatives for resumption of the Company's operations and accordingly, the financial results for the quarter ended June 30, 2023 have not been prepared on a going concern basis. Further, as stated in Note 3 (b), with effect from June 25, 2021 the Company is under Voluntary Liquidation Process subsequent to consent of the Board on May 31, 2021 and approval of the shareholders and creditors of the Company to voluntarily liquidate the Company and appointment of a Liquidator in accordance with Section 59 of the Insolvency & Bankruptcy Code, 2016 ("Code"). Further, as described in notes 3 (c) to the Statement, future course of action, during the voluntary liquidation process, being adopted for realisation of the Company's assets and settlement of its liabilities might affect the classification and consequential adjustments to the carrying values of assets and liabilities of the Company, the impact of which on the financial results in the Statement cannot be ascertained at this stage.

b) Refer Note 4 to the Statement regarding letter dated July 1, 2020 of Uttar Pradesh State Industrial Development Authority (UPSIDA) granting conditional approval of the change in Shareholding and Directors in earlier years subject to payment of proportionate transfer levy amounting to INR.809 lakhs, restriction on transfer of controlling interest for five years, execution of fresh lease deed with the

