

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 Unaudited Financial Results for the quarter and nine months ended December 31, 2019

Sr. No.	Particulars	(INR In lakhs)					
		3 months ended (31/12/2019)	Previous 3 months ended (30/09/2019)	Corresponding 3 months ended in the previous year (31/12/2018)	Year to date figures for current period ended (31/12/2019)	Year to date figures for previous period ended (31/12/2018)	Previous year ended (31/03/2019)
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Income						
	(Refer notes below)						
	(a) Revenue from operations	1,161	2,094	2,380	5,766	7,555	9,515
	(b) Other income (Refer note 6)	144	99	172	386	302	404
	Total income	1,305	2,193	2,552	6,152	7,857	9,919
2	Expenses						
	(a) Cost of materials consumed	314	752	1,161	2,111	3,212	4,151
	(b) Changes in inventories of work-in-progress and finished goods	343	319	(205)	620	(25)	(267)
	(c) Employee benefits expense	216	220	215	664	642	850
	(d) Depreciation and amortization expense	72	71	60	211	177	246
	(e) Power and fuel expense	265	556	953	1,616	2,688	3,397
	(f) Freight and forwarding charges	160	114	144	407	508	613
	(g) Other expenses (Refer notes 7 and 8)	396	298	369	1,034	1,045	1,509
	(h) Finance costs	1	*	-	-1	-	32
	Total expenses	1,767	2,330	2,697	6,664	8,247	10,531
3	(Loss) before exceptional items and tax (1 - 2)	(462)	(137)	(145)	(512)	(390)	(612)
4	Exceptional items	-	-	-	-	-	-
5	(Loss) before tax (3 - 4)	(462)	(137)	(145)	(512)	(390)	(612)
6	Tax expense						
	(a) Current tax	-	-	-	-	-	-
	(b) Deferred tax	5	(2)	-	6	(8)	(8)
	Total tax expense	5	(2)	-	6	(8)	(8)
7	(Loss) for the period (5 - 6)	(467)	(135)	(145)	(518)	(382)	(604)
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	(2)	(9)	(3)	(20)	(9)	(24)
	(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	(2)	(9)	(3)	(20)	(9)	(24)
9	Total comprehensive income for the period (7 + 8)	(469)	(144)	(148)	(538)	(391)	(628)
10	Paid-up equity share capital (face value of the share Rs 10/- each)	6,272	6,272	6,272	6,272	6,272	6,272
11	Earnings per share (of Rs 10/- each) (not annualised) (Refer note 8):						
	(a) Basic	(0.74)	(0.22)	(0.23)	(0.83)	(0.61)	(0.96)
	(b) Diluted	(0.74)	(0.22)	(0.23)	(0.83)	(0.61)	(0.96)
	See accompanying notes to the financial results						

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



(Signature)



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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.
- 2 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.
- 3 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 which has been duly replied by the Company to UPPCB. A consent for the calendar year 2018 dated May 8, 2018 under The Water (Prevention and Control of Pollution) Act, 1974 was issued to the Company by UPPCB. This consent included detailed conditions relating to discharge of the industrial effluent generated by the Company. One of the specific conditions inter-alia stated 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 had applied for renewal of its water and air consent in October 2018 for the years 2019 to 2028. UPPCB had issued few queries on the renewal application, which have been duly replied by the Company. The Company had submitted final report of IIT Roorkee dated July 17, 2019 to UPPCB vide its letter dated July 20, 2019. The report evaluated five technologies and all such technologies were concluded as non-feasible. The report also concluded that "in present context, there seems to be no feasible technology other than the present practice followed by Insilco for the treatment of Insilco effluent to maintain Sodium Absorption Ratio (SAR) at 26". A summary of the report was submitted with Bombay Stock Exchange vide Company's letter dated July 23, 2019. UPPCB, vide its orders dated October 22, 2019, rejected the Company's application for renewal of Water and Air consent on the ground that 'the unit is using fresh water for dilution of effluent to achieve the norms of SAR 26 which cannot be allowed and unit may submit final report of IIT, Roorkee to CPCB and seek suitable direction'. Pursuant to the said rejection orders, the Company suspended its production at Gajraula plant on October 26, 2019 in consultation with UPPCB. The Company made a representation to CPCB vide its letter dated October 30, 2019 for seeking suitable direction for the water and air consent renewal and also preferred a Writ Petition before the Hon'ble Allahabad High Court ("Court") on November 1, 2019, inter-alia, seeking quashing of the orders dated October 22, 2019 passed by UPPCB or in the alternative, for allowing the Company to resume production until the CPCB passes suitable directions and for seeking directions against the UPPCB to renew the Company's water and air consent. The Court has dismissed the Company's writ petition vide its order dated November 13, 2019 and has granted us liberty to approach the statutory authority in respect of the impugned orders, and take all points which are available in law. Subsequently, the Company filed a fresh application for renewal of air consent and water consent seeking permission to re-start its operations with a proposal to increase magnesium sulphate and stop using dilution by fresh water. However, UPPCB vide its letters dated February 4, 2020 has rejected our fresh applications for renewal of water consent and air consent stating the following reasons:
 "1- The study carried out by IIT, Roorkee has not suggested any feasible method for treatment of effluent in order to achieve the norms prescribed under the provisions of Environment (Protection) Rules, 1986. The process of dilution with fresh water cannot be allowed.
 2- Unit has not complied with the suggestions for achieving Zero Liquid Discharge made by Joint Committee constituted by Hon'ble National Green Tribunal.
 3- The proposal to achieve the norms for SAR by increasing the dosing rate of MgSO4 shall put additional load on river Bagadh in terms of TDS concentration and hence the proposal is not acceptable."
 The Company has always been in compliance with all the applicable pollutions norms as mentioned in the consent orders. Based on legal opinion, the Management believes that the Company has certain good arguable points to put forth a case before next level of appellate authorities and accordingly the Company will prefer appeal to the appropriate appellate authority. Even though there is uncertainty with regard to the resumption of its operations which depends upon the outcome of the appeal, considering the present available funds and future cash flows, these results have been prepared on a going concern basis.
- 4 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. Provision of Rs. 49.16 lakhs for maintenance charges for the period July 2018 to March 2019 had been credited in books of accounts in the year ended on March 31, 2019.
- 5 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 State Industrial Development Authority (UPSIDA) 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 agreement with UPSIDA in the year 1989. 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 has submitted these documents to UPSIDA. The Company has further submitted a request letter to UPSIDC/ UPSIDA to withdraw the letter dated July 18, 2019 and not to levy any transfer fee on the Company. Till date no demand has been raised on the Company. As evaluated by the management and based on legal advice, the liability on the Company for transfer charges cannot be ascertained at this stage.

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6 Other income for the current and previous periods includes:

(INR In lakhs)

Particulars	3 months ended (31/12/2019)	Previous 3 months ended (30/09/2019)	Corresponding 3 months ended in the previous year (31/12/2018)	Year to date figures for current period ended (31/12/2019)	Year to date figures for previous period ended (31/12/2018)	Previous year ended (31/03/2019)
Interest income on financial assets measured at amortised cost	110	55	58	222	169	225
Scrap Sales	13	7	1	26	3	3
Net gain/(loss) on financial assets measured at fair value through profit and loss	21	30	103	128	102	137
Miscellaneous income	-	7	10	10	28	39
Other Income	144	99	172	386	302	404

7 Other expenses for the current and previous periods includes:

(INR In lakhs)

Particulars	3 months ended (31/12/2019)	Previous 3 months ended (30/09/2019)	Corresponding 3 months ended in the previous year (31/12/2018)	Year to date figures for current period ended (31/12/2019)	Year to date figures for previous period ended (31/12/2018)	Previous year ended (31/03/2019)
Consumption of stores and spare parts	29	53	112	188	319	423
Information technology expenses	23	22	13	67	68	89
Maintenance charges	18	18	1	51	3	114
Legal and professional expenses	159	22	19	199	53	72
Sales commission	36	64	74	168	219	278
Waste disposal expenses	14	3	12	26	16	23
Travelling and conveyance	22	3	5	30	15	23
Security expenses	15	15	15	45	45	60
Miscellaneous expenses	80	98	118	260	307	427
Other Expenses	396	298	369	1034	1045	1509

8 Effective April 1, 2019, the Company has adopted Ind AS 116 "Leases". The effect on adoption of Ind AS 116 is insignificant on the financial results and Earning per Share (EPS) for the quarter ended and nine months ended December 31, 2019.

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 February 11, 2020.

For Insilco Limited



Brijesh Arora
Managing Director
DIN : 00952523

Place : New Delhi
Dated : February 11, 2020



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Price Waterhouse & Co Chartered Accountants LLP

To
The Board of Directors
Insilco Limited
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1. We have reviewed the unaudited financial results of Insilco Limited (the “Company”) for the quarter and the nine months ended December 31, 2019 which are included in the accompanying ‘Statement of Standalone Unaudited Financial Results for the quarter and nine months ended December 31, 2019’ (the “Statement”). The Statement has been prepared by the Company pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the “Listing Regulations, 2015”), which has been initialised 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. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw your attention to :
 - (i) Note 3 to the Statement 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 February 4, 2020 against which the Company is in the process of making an appeal with the concerned authorities. The Company’s ability to resume its manufacturing operations is dependent on the outcome of the appeal which indicates a material uncertainty that may cast significant doubt on the Company’s ability to continue as a going concern; and



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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)

- (ii) Note 5 to the Statement with regard to a letter dated July 18, 2019 received from Uttar Pradesh Industrial Development Authority (UPSIDA) requiring the Company to submit certain information and documents, in connection with issue of no objection certificate for its proposed LPG project in order to evaluate the quantum of transfer charges payable pursuant to transfer of the controlling interest in the Company by the promoters. Pending receipt of demand by UPSIDA and as evaluated by the management based on legal advice, the liability on the Company for transfer charges cannot be reliably estimated at this stage and accordingly, the financial impact on the Company in respect of this matter is presently not ascertainable.

Our conclusion is not modified in respect of these matters.

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



Anupam Dhawan
Partner
Membership Number 084451
UDIN : 20084451AAAAA87278

New Delhi
February 11, 2020