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 half year ended September 30, 2020

							(INR In lakhs)
Sr. No.	**Particulars**	**3 months ended (30/09/2020)**	**Previous 3 months ended (30/06/2020)**	**Corresponding 3 months ended in the previous year (30/09/2019)**	**Year to date figures for Current period ended (30/09/2020)**	**Year to date figures for previous period ended (30/09/2019)**	**Previous year ended (31/03/2020)**
	(Refer notes below)	**Unaudited**	**Unaudited**	**Unaudited**	**Unaudited**	**Unaudited**	**Audited**
1	**Income**						
	(a) Revenue from operations	-	-	2,094	-	4,605	5,775
	(b) Other income (Refer note 5 & 7)	138	126	99	264	242	535
	Total income	**138**	**126**	**2,193**	**264**	**4,847**	**6,310**
2	**Expenses**						
	(a) Cost of materials consumed	-	-	752	-	1,797	2,272
	(b) Changes in inventories of work-in-progress and finished goods	-	-	319	-	277	685
	(c) Employee benefits expense	214	225	220	439	448	863
	(d) Depreciation and amortization expense	68	69	71	137	140	283
	(e) Power and fuel expense	10	11	560	21	1,357	1,648
	(f) Freight and forwarding charges	-	-	114	-	248	405
	(g) Other expenses (Refer note 6)	142	102	294	244	631	1,180
	(h) Finance costs	*	1	*	1	*	1
	Total expenses	**434**	**408**	**2,330**	**842**	**4,898**	**7,337**
3	(Loss) before exceptional items and tax (1 - 2)	(296)	(282)	(137)	(578)	(51)	(1,027)
4	Exceptional items	-	-	-	-	-	-
5	(Loss) before tax (3 - 4)	**(296)**	**(282)**	**(137)**	**(578)**	**(51)**	**(1,027)**
6	Tax expense						
	(a) Current tax	-	-	-	-	-	-
	(b) Deferred tax	*	23	(2)	23	1	20
	Total tax expense	**-**	**23**	**(2)**	**23**	**1**	**20**
7	(Loss) for the period (5 - 6)	**(296)**	**(305)**	**(135)**	**(601)**	**(52)**	**(1,047)**
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	(4)	(11)	(9)	(15)	(18)	(29)
	(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 (loss)/income, net of income tax	(4)	(11)	(9)	(15)	(18)	(29)
9	Total comprehensive (loss)/income for the period (7 + 8)	**(300)**	**(316)**	**(144)**	**(616)**	**(70)**	**(1,076)**
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)						
	(a) Basic	**(0.47)**	**(0.49)**	**(0.22)**	**(0.96)**	**(0.08)**	**(1.67)**
	(b) Diluted	**(0.47)**	**(0.49)**	**(0.22)**	**(0.96)**	**(0.08)**	**(1.67)**
	See accompanying notes to the financial results						

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

Statement of Asset and Liabilities as at September 30, 2020

(INR In lakhs)

Particulars	As at 30/09/20	As at 31/03/20
	Unaudited	Audited
Assets		
Non-current assets		
Property, plant and equipment	1,958	2,085
Right-of-use assets	120	145
Capital work-in-progress	45	52
Investment property	1	1
Other intangible assets	2	3
Financial assets		
i. Loans	74	76
ii. Other financial assets	-	10
Other non-current assets	5	5
Income tax assets (net)	106	104
Total non-current assets	**2,311**	**2,481**
Current assets		
Inventories	258	267
Financial assets		
i. Investments	1,866	1,825
ii. Trade receivables	-	31
iii. Cash and cash equivalents	46	92
iv. Bank balances other than (iii) above	3,410	3,900
v. Loans	11	15
vi. Other financial assets	160	92
Other current assets	146	195
Total current assets	**5,897**	**6,417**
Total assets	**8,208**	**8,898**
Equity and liabilities		
Equity		
Equity share capital	6,272	6,272
Other equity	1,530	2,146
Total equity	**7,802**	**8,418**
Liabilities		
Non-current liabilities		
Financial liabilities		
i. Lease liabilities	1	17
Employee benefit obligations	10	10
Deferred tax liabilities (net)	43	20
Total non-current liabilities	**54**	**47**
Current liabilities		
Financial liabilities		
i. Lease liabilities	1	9
ii. Trade payables		
-Total outstanding dues of micro, medium and small enterprises	2	1
-Total outstanding dues of creditors other than micro medium and small enterprises	167	183
iii. Other financial liabilities	37	54
Provisions	2	2
Employee benefit obligations	120	137
Other current liabilities	23	47
Total current liabilities	**352**	**433**
Total liabilities	**406**	**480**
Total equity and liabilities	**8,208**	**8,898**

Cash Flow Statement for the half year ended September 30, 2020

(INR In lakhs)

Particulars	Half Year ended 30-Sep-20	Half Year ended 30-Sep-19
	Unaudited	Unaudited
Cash flow from operating activities		
(Loss) before income tax	(578)	(51)
Adjustments for		
Depreciation and amortization expense	137	140
Net (gain)/ loss on disposal of property, plant and equipment (net)	(25)	3
Net (gain) on financial assets measured at fair value through profit or loss	(70)	(107)
Net (gain)/loss on sale of financial assets measured at fair value through profit and loss	*	1
Interest income on financial assets measured at amortised cost	(121)	(113)
Finance costs	1	*
Liabilities and provision no longer required written back	-	(1)
Provision for obsolete stores & spares and packing material no longer required written back	(17)	(3)
Loss allowance	4	1
Net exchange differences	*	*
Changes in operating assets and liabilities		
(Increase)/ decrease in inventories	26	190
(Increase)/ decrease in trade receivables	27	(36)
(Increase)/ decrease in other financial asset	1	13
(Increase)/ decrease in other non-current assets	*	3
(Increase)/ decrease in other current assets	49	4
Increase/ (decrease) in trade payables	(15)	(353)
Increase/ (decrease) in other financial liabilities	(17)	(18)
Increase/(decrease) in employee benefit obligations	(31)	(15)
Increase/ (decrease) in other current liabilities	1	21
Cash (used in)/ generated from operations	**(628)**	**(321)**
Income taxes paid/(refund received)	2	4
Net cash (used in)/ outflow from operating activities	**(630)**	**(325)**
Cash flow from investing activities		
Payments for property, plant and equipment	3	(206)
Proceeds from sale of property, plant and equipment	*	4
Proceeds from sale of investments	30	300
Repayment of loans by employees and security deposits refunded	6	(5)
Interest received	51	110
Fixed deposits with maturity of more than three months but less than twelve months	490	300
Deposits made with original maturity of more than twelve months	10	-
Net cash outflow from / (used in) investing activities	**590**	**503**
Cash flow from financing activities		
Principal elements of lease payment	(6)	-
Interest paid	(1)	*
Net cash (used in)/ outflow from financing activities	**(7)**	**-**
Net (decrease)/ increase in cash and cash equivalents	**(47)**	**178**
Cash and cash equivalents at beginning of the year	93	105
Cash and cash equivalents at year end	**46**	**283**
Non-cash financing and investing activities		
- Acquisition of right-of-use assets	**1**	**-**

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

Note: The above cash flow statement has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS) 7 "Statement of Cash flows".

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. The Company pleaded that recommendations with regards to ZLD are not practical for the Company's plant and that the UPPCB should prescribe some appropriate method in place of ZLD. After the hearing, the Plant of the Company was allowed to resume 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 explained full compliance status along with the measures taken for improvement to the JIT. As the Company did not receive the copy of the report of JIT despite renewing its Caveats, records of NGT were duly inspected for such report through our legal counsels; however, no such report was filed by the UPPCB with NGT. The Company also continued its Caveats so that advance intimation to Company should be given if any Report is filed with the NGT. On July 13, 2017, NGT pronounced its detailed judgement in this matter where it gave certain specific directions with respect to Bagad River (drain) and General Directions to Industries at Gajraula and the UPPCB. . 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 had inspected the unit at Gajraula on May 23, 2017 pursuant to the order of Hon'ble National Green Tribunal (NGT) dated May 8, 2017. The Company had replied to the said letter vide the letter dated January 19, 2018.

UPPCB vide its e-mail dated May 11, 2018 had granted its approval for renewal of air/water "Consent to Operate". The said Water "Consent to Operate" was valid from January 1, 2018 to December 31, 2018. One of the specific conditions of the said water consent stated that

(1)"The unit will incorporate the recommendations of Joint Inspection Team in the study of IIT, Roorkee, validate the technology from Central Pollution Control Board (CPCB) and ensure Zero Liquid Discharge (ZLD) by way of recycling the treated effluent or other methodology recommended by IIT, Roorkee and approved by CPCB by 31st December 2018." The Company in October 2018 applied to UPPCB for renewal of Consent to Operate under section 25/26 of Water (Prevention & Control of Pollution) Act, 1974 and under section 21/22 of Air (Prevention & Control of Pollution) Act, 1981. for the years 2019 to 2028. After filing of the Company's application for renewal of the Consents to Operate, UPPCB had raised query that the Company had not submitted the compliance of Zero Liquid Discharge System and compliance of recommendations and suggestions made by JIT in compliance of orders of NGT. The Company had, inter alia, replied that it would be able to discuss the aforesaid queries after receipt of final report from IIT Roorkee and validating the concept from CPCB as per the water Consent to Operate dated May 8, 2018. 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 letters dated October 22, 2019, refused the Company's application for renewal of water and air Consent to Operate on the ground that 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 IIT 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. Consequent to above, the Company has suspended its operations on October 26, 2019 after utilizing raw material in process. The Company has made a representation alongwith final report of IIT Roorkee to CPCB on October 30, 2019. The Company also preferred a Writ Petition before the Hon'ble Allahabad High Court, inter alia, seeking quashing of the orders dated October 22, 2019 passed by UPPCB or in the alternative, for allowing the Company to resume operations until the CPCB passes suitable directions and for seeking directions to the UPPCB to renew the Company's water and air Consent to Operate.

The matter was heard on November 5, 2019 and November 13, 2019.The Allahabad High Court dismissed the Writ Petition and, inter alia, held that the situation was not so exceptional, so as to allow the writ court to intervene, exercising its extraordinary high prerogative discretionary jurisdiction under Article 226 of the Constitution of India. The High Court however noted that the Company was not without any remedy and the statutory alternative appellate remedy was available to the Company in respect of both the orders dated October 22, 2019. The Hon'ble High Court granted liberty to the Company to approach the relevant statutory authority in respect of the impugned orders, and take all points which are available in law. The High Court however noted that if the Company approached the statutory appellate authority, the said authority shall not be influenced in any manner by any observation made in the order and shall decide the appeals strictly in accordance with law. The officials of the Company, considering the economical reasons, conducted discussions with the UPPCB and proposed a change in the process for water treatment. The Company had submitted a proposal to the UPPCB demonstrating an alternative to dilution with adding fresh water by increase in use of Magnesium Salt ($MgSO_4$) and still maintain the SAR value of 26 and filed a fresh application. However, the Fresh Applications for Water & Air Consent to Operate have been refused/rejected by UPPCB, vide its letters dated February 4, 2020, on the following grounds :

(i) 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.

(ii) Unit has not complied with the suggestions for achieving Zero Liquid Discharge made by Joint Committee constituted by Hon'ble National Green Tribunal.

(iii) The proposal to achieve the norms for SAR by increasing the dosing rate of $MgSO_4$ shall put additional load on river Bagadh in terms of TDS concentration and hence the proposal is not acceptable.

The Company has preferred 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. The final hearing took place on October 15, 2020 and the order is reserved with the Special Secretary. Good arguable points and persuasive submissions were made in behalf of the Company. During the course of hearing, UPPCB was not able to effectively counter the submissions made in behalf of the Company. The Special Secretary after hearing the respective submissions has reserved that matter for pronouncement of orders. It would be difficult to predict the outcome of the Appeals till such time as the order is finally pronounced by the Special Secretary.

The Company continues to incur cash loss every month, since suspension of its operations on October 26, 2019. In the event, the company is not able to obtain consent to operate, it will have no option but to close its operations at the current facility. Moreover, the operations can become commercially viable only after the implementation of LPG project, also refer note 4. The relocation of the manufacturing facility to another site is not financially viable, given the cost of relocation and intense competition in the market place.

The Company's resumption of operations depends on the outcome of the ongoing proceedings. This condition indicates the existence of an uncertainty that may cast significant doubt on the Company's ability to continue as a going concern and there is a possibility that the Company may be unable to continue realizing its assets and discharging its liabilities in the normal course of business. Considering presently available funds and evaluation of future cash flows, the financial statements have been prepared assuming that the Company will continue as a going concern. The financial statements do not include any adjustments to reflect possible future effects on the recoverability and classification of assets or the amount and classification of liabilities that might result from the outcome of this uncertainty.

Further in view of the fact that operations of the Company are suspended since October 26 2019 as mentioned above ,there is no major impact of the Country wide lockdown announced from March 25, 2020 due to Covid-19 pandemic on operations of the Company. However, the hearing to Special Secretary against the orders of the UPPCB got delayed as a result of Covid-19 pandemic.
With respect to this matter, the Statutory Auditors have qualified their audit report on the Standalone Ind AS Financial Statement as at and for the year ended March 31, 2020, review report on the results of quarter ending June 30, 2020 and review report on the results for the current quarter.

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 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 / it's promoters since execution of agreement with UPSIDA in the year 1989. Accordingly, on April 25, 2019 the Company had sent a letter to UPSIDC 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 has submitted relevant documents and clarifications to UPSIDA in this regard. 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.

The Company has, 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 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 with the Company, revision of lease rent to Rs. 6.82 lakhs per annum during the next 30 years and thereafter, a lease rent of Rs. 13.64 lakhs per annum during the next 30 years'. UPSIDA has also sought approved building plan regarding the Company's application for granting no objection certificate for the installation of proposed LPG project

However, the Company feels that the above conditions levied are without any basis and are based on mistaken understanding of the facts submitted by the Company. The Company has, 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 has also requested UPSIDA to give an opportunity to present the case in person before the concerned UPSIDA officials once the epidemic situation has been brought under control.

In response to the Company's letter dated July 8, 2020, UPSIDA has sent a letter dated July 24, 2020 to the Company and has partially replied to the queries of the Company. In response to the UPSIDA letter, the Company had submitted a letter dated August 31,2020 and mentioned that the Offer Letter is clearly incomplete in the absence of providing rationale/ reasoning. The company has further mentioned 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 has requested UPSIDA to cancel the imposition of transfer levy on the company.

No further communications are received from UPSIDA. The Company cannot ascertain the impact of the same as on date, without UPSIDA providing its rationale behind imposition of such terms on the Company and will decide the next steps upon hearing from UPSIDA. With respect to this matter, the Statutory Auditors have qualified their review report on the results for the previous quarter ending June 30, 2020 and current quarter.

5 Other income for the current and previous periods includes: **(INR In lakhs)**

Particulars	3 months ended (30/09/2020)	Previous 3 months ended (30/06/2020)	Corresponding 3 months ended in the previous year (30/09/2019)	Year to date figures for Current period ended (30/09/2020)	Year to date figures for previous period ended (30/09/2019)	Previous year ended (31/03/2020)
	Unaudited	**Unaudited**	**Unaudited**	**Unaudited**	**Unaudited**	**Audited**
Interest income on financial assets measured at amortised cost	59	62	55	121	113	285
Scrap Sales	-	-	7	-	12	43
Sale of Raw material, stores and spares	30	-	-	30	-	-
Net gain on disposal of property, plant and equipment	25	-	-	25	-	-
Provision for obsolete stores & spares and packing material no longer required written back	17	-	-	17	-	-
Net gain/(loss) on financial assets measured at fair value through profit and loss	6	64	30	70	107	193
Miscellaneous income	1	*	7	1	10	14
Other Income	**138**	**126**	**99**	**264**	**242**	**535**

** 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 (30/09/2020)	Previous 3 months ended (30/06/2020)	Corresponding 3 months ended in the previous year (30/09/2019)	Year to date figures for Current period ended (30/09/2020)	Year to date figures for previous period ended (30/09/2019)	Previous year ended (31/03/2020)
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Consumption of stores and spare parts	1	*	53	1	159	203
Cost of Raw matetial, stores and spares sold	23	-	-	23	-	-
Information technology expenses	15	14	20	29	40	75
Maintenance charges	17	16	17	33	33	66
Legal and professional expenses	44	16	22	60	40	237
Sales commission	-	-	64	-	132	168
Waste disposal expenses	1	2	3	3	12	29
Travelling and conveyance	*	*	3	*	8	36
Security expenses	13	14	15	27	30	60
Miscellaneous Expenses	28	40	97	68	177	306
Other Expenses	**142**	**102**	**294**	**244**	**631**	**1,180**

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

7 The Company had received an advance of Rs.125 lakhs against a total contract value of Rs. 130 lakhs for the transfer of leasehold rights in residential flats at Patalganga for two set of properties. During the financial year 2016-17 the Company got necessary approvals from local authorities/executed necessary documents in relation to one set of properties accordingly transfer of the said flats in the name of buyer was completed and recognised income of Rs. 100 lakhs. The transfer of leasehold rights in second set of properties i.e. worker's flat was subject to necessary approval from the authorities. However, the Company had executed an 'Agreement of Assignment' (which is not registered with local authority due to non-availability of required documents) for transfer of Leasehold Rights and had also given possession of the said worker's flat in financial year 2016-17. In previous years the advance consideration for the worker's flat of Rs. 25 lakhs had been disclosed under the head "Advance received against disposal of property, plant & equipment" under Other Current Liabilities in the financial statements. As the possession of these flats had already been transferred, therefore, in the current quarter ending Sep 30, 2020, income of Rs. 25 lakhs has been recognized and shown under the head "Net Gain on disposal of property, plant & equipment" under Other Income.

8 As of now there is no certainty of when the normal operations of the Plant can be restarted and the fast depletion of remaining cash available with the Company is continuing. In order to slow down the depletion of available cash of the Company and protect the value of the remaining assets of the Company, the Company is considering offering a voluntary retirement scheme to its employees and is in the process of formulating one based on discussions and feedback from the relevant stakeholders. The details of the scheme are expected to be announced in due course after obtaining the requisite approval from the Board of Directors. Necessary adjustments in the books of accounts will be made upon finalization and adoption of the scheme.

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 November 2, 2020.

For Insilco Limited

BRIJESH ARORA Digitally signed by BRIJESH ARORA Date: 2020.11.02 14:56:57 +05'30'

Brijesh Arora
Managing Director
DIN : 00952523

Place : New Delhi
Dated : November 2, 2020

We have signed this statement for identification purposes only and this Statement should be read in conjunction with our report dated November 2, 2020.

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

CHARAN SEWAK GUPTA Digitally signed by CHARAN SEWAK GUPTA Date: 2020.11.02 15:09:03 +05'30'

Charan S Gupta
Partner
Membership Number: 093044

Place: Gurugram
Date: November 2, 2020

Price Waterhouse & Co Chartered Accountants LLP

The Board of Directors
Insilco Limited
A-5, UPSIDC Industrial Estate,
Bhartiagram, Gajraula – 244223
Uttar Pradesh

1. We have reviewed the unaudited financial results of Insilco Limited (the "Company") for the quarter and half year ended September 30, 2020 which are included in the accompanying 'Statement of Standalone Unaudited Financial Results for the quarter and half year ended September 30, 2020', the statement of assets and liabilities as on that date and statement of cash flows for the half-year ended on that date (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) 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 October 22, 2019. The Company preferred appeals before the Special Secretary, Environment, Department of Environment, UP. As stated in the said note the Company's ability to resume its manufacturing operations is dependent on the outcome of ongoing proceedings and the commercial viability of its operations is dependent on the implementation of its proposed LPG project.

   b) Note 4 to the Statement regarding letters 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 Rs.809 lakhs, increase in lease rent during remaining period of lease of land and compliance with other conditions. UPSIDA has also sought approved building plan regarding the Company's application for granting no objection certificate for the proposed LPG project. As stated in the said note, pending resolution of the matter with UPSIDC, the Company management is unable to ascertain the impact on the results in the Statement.

   The above matters indicate the existence of a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Pending resolution of these matters with appropriate authorities, we are unable to comment on the potential impact, if any, on the results in the Statement.

5. Based on our review conducted as above, except for the indeterminate effects of the matters stated in paragraph 4 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.

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

CHARAN SEWAK GUPTA
Digitally signed by CHARAN SEWAK GUPTA
Date: 2020.11.02 15:09:37 +05'30'

Charan S Gupta
Partner
Membership Number: 093044
UDIN: 20093044AAAABH1945

Gurugram
November 2, 2020