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 Unaudited Financial Results for the quarter ended June 30, 2021

					(INR In lakhs)
Sr. No.	**Particulars**	**3 months ended (30/06/2021)**	**Previous 3 months ended (31/03/2021)**	**Corresponding 3 months ended in the previous year (30/06/2020)**	**Previous year ended (31/3/2021)**
	(Refer notes below)	**Unaudited**	**Unaudited****	**Unaudited**	**Audited**
1	**Income**				
	(a) Revenue from operations	-	-	-	-
	(b) Other income (Refer note 8)	32	61	126	471
	Total income	**32**	**61**	**126**	**471**
2	**Expenses**				
	(a) Cost of materials consumed	-	-	-	-
	(b) Changes in inventories of work-in-progress and finished goods	-	-	-	-
	(c) Employee benefits expense (Refer note 10)	111	1,600	225	2,592
	(d) Depreciation and amortization expense (Refer note 6a)	*	-	69	200
	(e) Impairment loss on Property, Plant and Equipment and intangible assets (Refer note 6)	-	(2)	-	1,424
	(f) Power and fuel expense	12	13	11	46
	(g) Other expenses (Refer note 7 & 9)	204	439	102	1,909
	(h) Finance costs (Refer note 7)	*	6	1	64
	Total expenses	**327**	**2,056**	**408**	**6,235**
3	(Loss) before exceptional items and tax (1 - 2)	(295)	(1,995)	(282)	(5,764)
4	Exceptional items	-	-	-	-
5	(Loss) before tax (3 - 4)	**(295)**	**(1,995)**	**(282)**	**(5,764)**
6	Tax expense				
	(a) Taxes relating to earlier years	-	27	-	27
	(b) Deferred tax	-	-	23	(19)
	Total tax expense	**-**	**27**	**23**	**8**
7	(Loss) for the period (5 - 6)	**(295)**	**(2,022)**	**(305)**	**(5,772)**
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	-	57	(11)	57
	(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	-	57	(11)	57
9	Total comprehensive (loss)/income for the period (7 + 8)	**(295)**	**(1,965)**	**(316)**	**(5,715)**
10	Paid-up equity share capital (face value of the share Rs 10/- each)	**6,272**	**6,272**	**6,272**	**6,272**
11	Earnings per share (of Rs 10/- each) (not annualised)				
	(a) Basic	**(0.47)**	**(3.22)**	**(0.49)**	**(9.20)**
	(b) Diluted	**(0.47)**	**(3.22)**	**(0.49)**	**(9.20)**
	See accompanying notes to the financial results				

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

*** Refer Note 16*

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, 2021 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 The Company was informed by the Uttar Pradesh Pollution Control Board (UPPCB) that pursuant to the order dated April 26, 2017 passed by the Hon'ble National Green Tribunal (NGT) in the matter of M. C. Mehta v. Union of India and Others' relating to cleaning of river Ganga, 15 industrial units of 13 companies in Gajraula, Uttar Pradesh including the unit of the Company, 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 by the Hon'ble NGT. The Company pleaded that the recommendations with respect to Zero Liquid Discharge (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 of Hon'ble NGT, 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 filed before the Hon'ble NGT, records of NGT were duly inspected for such report through the legal counsels; however, no such report was filed by the UPPCB with the Hon'ble NGT. The Company also continued to file its Caveats before the Hon'ble NGT so that an advance intimation to Company is given, if any Report is filed by UPPCB with the Hon'ble NGT. On July 13, 2017, the Hon'ble 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 Consent to Operate under Water (Prevention and Control of Pollution) Act, 1974 and Air (Prevention and Control of Pollution) Act, 1974 ("Consent to Operate"), 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 NGT dated May 8, 2017. The Company had replied to the said letter on January 19, 2018.

UPPCB vide its e-mail dated May 11, 2018 had granted its approval for renewal of Consent to Operate. The renewed Consent to Operate was valid from January 1, 2018 to December 31, 2018. One of the specific conditions of the Consent to Operate 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 December 31, 2018." The Company in October 2018 applied to UPPCB for renewal of Consent to Operate under Sections 25 and 26 of Water (Prevention & Control of Pollution) Act, 1974 and under Sections 21 and 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 Consent to Operate, UPPCB had raised query on the Company that it has not submitted the compliance of Zero Liquid Discharge System and a report confirming the compliance of recommendations and suggestions made by JIT in its report. 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 Consent to Operate dated May 8, 2018. Vide its letter dated July 20, 2019 the Company had submitted its final report of IIT Roorkee dated July 17, 2019 to UPPCB. The report evaluated five technologies and all such technologies were concluded as non-feasible for the Company. 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 by the Company vide its letter dated July 23, 2019.

UPPCB, vide its letter 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 had 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 application for grant of the consent to operate for water and air was rejected by the UPPCB. Further it was also mentioned that the Company should submit the final report of IIT, Roorkee to Central Pollution Control Board (CPCB) and seek suitable directions from them. Consequent to above, on October 26, 2019 the Company has suspended its operations after utilizing raw materials which was already in process. The Company has made a representation along with 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 above writ petition was heard by the Hon'ble Allahabad High Court on November 5, 2019 and November 13, 2019. The Hon'ble 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.

Meanwhile vide its order dated December 4, 2020, the Special Secretary dismissed the appeal of the Company and held that "Therefore, the appellant has the option of presenting its proposal to the Hon'ble Tribunal through the Joint Committee, following the recommendations of the Joint Committee in compliance with the order of the Hon'ble National Green Tribunal. The above orders have been issued in compliance with the order of the Hon'ble National Green Tribunal".

The Board has 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 its in-principle approval for the voluntary liquidation of the Company in its meeting dated March 30, 2021.

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, 2021, and financial results for the quarter ended December 31, 2020 and June 30, 2021, have not been prepared on a going concern.

With respect to this matter, the Statutory Auditors have qualified their review reports on the results of quarters ended June 30, 2020, September 30,2020 and December 31, 2020 and audit reports on the Standalone Ind AS Financial Statements as at and for the years ended March 31, 2020 and March 31, 2021.

4 Further the Board 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 the voluntary liquidation 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 voluntarily liquidate the Company in accordance with the provisions of Section 59 of the Code and appoint an Insolvency Professional duly registered with the Insolvency and Bankruptcy Board of India as the Liquidator to undertake the same. 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, 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 on June 29, 2021.

Accordingly, with effect from June 25, 2021, Insilco Limited is under Voluntary Liquidation Process with Mr. Chandra Prakash (having registration no. IBBI/IPA-002/IP-N00660/2018-2019/12023) as the Liquidator of the Company who will be discharging his functions and duties as provided for in the Code and the IBBI (Voluntary Liquidation Process) Regulations, 2017 ("VL Regulations") to complete the voluntary liquidation process of the Company in a timely manner.

Upon appointment of the Liquidator by the Company, 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 was July 25, 2021 (i.e. 30 days of the Liquidation Commencement Date).

The Board of Directors in the Board Meeting dated May 31, 2021, have 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. In this regard, the Liquidator is in process of identification of the assets of the Company pursuant to which the Liquidator shall proceed with sale of the assets in accordance with the provisions of the Code and the VL Regulations. This process will be undertaken by the Liquidator in consultation with his Legal Counsels/ other professionals and the Company.

As per Regulation 37 of VL Regulations, the Liquidator shall endeavour to complete the liquidation process of the Company within 12 (twelve) months from the liquidation commencement date. However, in the event of the liquidation process continues for a period of more than 12 (twelve) months, the liquidator shall-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.

5 Creditors Claim:

a. As a part of the Voluntary liquidation process, stakeholders of the Company were called to submit their claims to the Liquidator as on liquidation commencement date i.e. 25 June 2021. The summary of Claims received as on 12th August 2021 is reproduced below:

Particulars	**Claims Received (INR in Lakhs)**
Employees and workman	87.92
Operational creditors	0.87

b. The Liquidator is in the process of verifying the claims submitted by the stakeholders of the Company as per VL Regulations. Consequential impact of claims being higher than the book balances, if any, has not been considered in the books of account of the Company.

6 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 Rs.1,424 lakhs has been recognized in the books of account; base on valuation report of an external independent valuer during the year ended March 31, 2021, and INR Nil lakhs financial results for the quarter ended June 30, 2021. The carrying value of assets have been reduced to its recoverable amounts and residual value of assets are equal to or greater than the asset's revised carrying values after impairment loss based on the Company's management estimate. Accordingly, in view of the Company's management depreciation on the assets is not expected to be material and hence no depreciation has been provided for subsequent to recognision of impairment loss during the quarter ended December 31, 2020. However, any further impairment loss that may arise on account of change in estimates will be recognised based on evaluation of recoverable amounts of assets on a periodic basis.

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. (also refer Note 7)

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 based on valuation report of an external independent valuer during the year ended March 31, 2021, and INR Nil lakhs in the financial results for the quarter ended June 30, 2021.

d) Other assets have been recognised at current realizable value as per the Management's current estimate and loss allowance aggregating INR 16 lakhs has been recognised during the year ended March 31, 2021, and INR 28 lakhs in the financial results for the quarter ended June 30, 2021.

e)Liabilities have been recognised to the extent there is a present obligation at the reporting date. (also refer Note 5 above)

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. Also refer notes 3, 4 and 5. 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, 2021 and review report on the results of quarter December 31, 2020.

7 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 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 a letter dated August 31, 2020 and mentioned that the Offer Letter is clearly incomplete as it does not provide any rationale/ reasoning. The Company has 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 has requested UPSIDA to cancel the imposition of transfer levy on the Company.

On December 24, 2020 the Company had deposited a sum of Rs. 866 lakhs (including interest of Rs. 57 lakhs) to UPSIDA under protest which has been expensed off in the books of accounts during the year ended March 31, 2021 under the note 9 "Other Expenses" as "Transfer Levy" to the extent of Rs.809 lakhs and under "Finance costs" as interest on Transfer Levy to the extent of Rs. 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 reserve it's 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 ended March 31, 2021, the Company has preferred a Writ Petition titled Insilco Limited v. State of U.P and Anr. Writ Petition No. 9669 of 2021, before the Hon'ble Allahabad High Court Company for quashing/ setting aside letters dated July 1, 2020, July 24, 2020 and December 22, 2020 issued by UPSIDA, wherein UPSIDA 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, which is pending disposal. The Company's legal counsels have advised that the Company has a good case however they are not in a position to comment on the likely outcome of the proceedings currently pending before the Hon'ble High Court, since the matter is sub-judice.

Further adjustments, if any, will be made upon final resolution of the matter.

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 years ended March 31, 2021 and March 31, 2020, and review reports on the results for the quarters ended June 30, 2020 September 30, 2020, December 31, 2020 and June 30, 2021.

8 Other income for the current and previous periods includes:

(INR In lakhs)

Particulars	3 months ended (30/06/2021)	Previous 3 months ended (31/03/2021)	Corresponding 3 months ended in the previous year (30/06/2020)	Previous year ended (31/3/2021)
	Unaudited	**Unaudited****	**Unaudited**	**Audited**
Interest income on financial assets measured at amortised cost	23	38	62	209
Sale of Raw material, stores and spares	1	23	-	133
Net gain on disposal of property, plant and equipment	-	1	-	21
Net gain/(loss) on financial assets measured at fair value through profit and loss	-	(2)	64	108
Miscellaneous income	8	1	*	-
Other Income	**32**	**61**	**126**	**471**

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

*** Refer Note 16*

9 Other expenses for the current and previous periods includes:

(INR In lakhs)

Particulars	3 months ended (30/06/2021)	Previous 3 months ended (31/03/2021)	Corresponding 3 months ended in the previous year (30/06/2020)	Previous year ended (31/3/2021)
	Unaudited	**Unaudited****	**Unaudited**	**Audited**
Consumption of stores and spare parts	*	*	*	1
Provision for obsolete stores & spares and packing material (Refer note 6)	-	(1)	-	122
Cost of Raw matetial, stores and spares sold	-	-	-	100
Loss allowance	28	3	7	21
Information technology expenses	13	14	14	59
Maintenance charges	5	(38)	16	11
Insurance	14	26	12	64
Transfer Levy (Refer note 7)	-	-	-	809
Legal and professional expenses	60	58	16	144
Rates & Taxes	39	56	1	62
Waste disposal expenses	4	286	2	334
Travelling and conveyance	*	*	*	1
Security expenses	18	13	14	53
Premises Upkeep	5	5	6	22
Directors Sitting Fee	4	6	4	17
Recruitment, Training and Relocation expense	-	*	*	11
Capital work in progress (LPG Project) written off	-	-	-	31
Miscellaneous Expenses	14	11	10	47
Other Expenses	**204**	**439**	**102**	**1,909**

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

*** Refer Note 16*

10 During the previous year, the Board approved two Voluntary Retirement Schemes, Voluntary Retirement Scheme 2020 ("VRS 2020") and Voluntary Retirement Schemes 2021 ("VRS 2021") for the Company's employees. Employee expenses for the year ended March 31, 2021 include INR 1673.38 lakhs towards Voluntary Retirement Scheme compensation.

11 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 have 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 VRS and that the VRS was not specifically asked for by the employees. The Office of DLC /ALC had requested the Company and Ex-Employees to be present for a conciliation hearing on July 30, 2021. During the hearing, the copies of applications as preferred by the Ex-Employees was handed over to the Company. The next date of hearing before the ALC is August 17, 2021.

The Company is not in a position to comment on the likely outcome of the proceedings currently pending before the conciliation officer, since the matter is ongoing and in its initial stages.

12 During the quarter ended June 30, 2021, Mr.Vinod Paremal has been appointed as the managing director of the Company by the members in their Extra-Ordinary General Meeting held on June 25, 2021, which is subject to the approval by the Central Government. The Company has made an application to Central Government, for approval of his appointment as the Managing Director of the Company, which is pending disposal.

13 The Chief Financial Officer of the Company, Mrs. Shivangi Negi, resigned w.e.f. close of working hours of June 4th, 2021 and the vacancy caused due to her resignation was yet to be filled till closure of the financial results for quarter ended June 30, 2021. Therefore, the Company as on June 30, 2021 did not have any Chief Financial Officer as required under Section 203 of the Companies Act,2013. Further as per section 203 (4) of the Companies Act, 2013 such vacancy is to be filled up within the period of six months from the date of such vacancy.

14 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.

15 The financial statements for the year ended March 31, 2021, and results for the quarter ended June 30, 2021, are not prepared on going concern basis and considering this, various adjustments described in note 6 are included under the respective financial statement line items. However the quarter ended June 30, 2020 figures are based on going concern, therefore the previous period figures are not comparable with current period figures.

16 The figures for the quarter ended March 31, 2021 are balancing figures between the audited figures in respect of the full financial year 2020-21 and the published unaudited year-to-date figures upto the quarter ended December 31, 2020 of the financial year 2020-21.

17 Previous year/period figures have been regrouped, wherever necessary.

18 This statement has been reviewed by the Audit Committee and approved by the Board of Directors and Liquidator in their meeting held on August 12, 2021.

For Insilco Limited
(Under voluntary liquidation wef 25.06.2021)

VINOD PAREMAL NARAYANAN — Digitally signed by VINOD PAREMAL NARAYANAN Date: 2021.08.12 16:56:50 +05'30'

CHANDRA PRAKASH — Digitally signed by CHANDRA PRAKASH Date: 2021.08.12 16:42:19 +05'30'

	Paremal Narayanan Vinod	**Chandra Prakash**
	Managing Director	**Liquidator of Insilco Limited**
	DIN : 08803466	**[Registration no. IBBI/IPA-002/IP-N00660/ 2018-2019/12023]**
Date: August 12, 2021	**Place: Mumbai**	**Place: New Delhi**

We have signed this statement for identification purposes only and this Statement should be read in conjunction with our report dated August 12, 2021.

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

CHARAN SEWAK GUPTA — Digitally signed by CHARAN SEWAK GUPTA Date: 2021.08.12 17:05:36 +05'30'

Charan S Gupta
Partner
Membership Number: 093044

Place: Gurugram
Date: August 12, 2021

Review Report

To
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 ended June 30, 2021 which are included in the accompanying 'Statement of Standalone Unaudited Financial Results for the quarter ended June 30, 2021 (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 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'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, 2021 have not been prepared on a going concern basis. Further, as stated in Note 4, 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 the shareholders of the company and creditors of the Company to voluntary 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 4, 5 and 6 to the Statement, the future course of events for the realisation of the 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) Note 7 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 Rs.809 lakhs, restriction on transfer of controlling interest for five years, execution of fresh lease deed with the Company, increase in lease rent during remaining period of lease of land and compliance with other conditions. As described in the said note, the Company has deposited transfer levy of Rs.809 lakhs along with interest of Rs.57 lakhs under protest which was expensed off during the year ended March 31, 2021 and has contested before UPSIDA that the aforementioned other terms and conditions in respect of the lease are not applicable to the Company. As described in the said note, the Company has filed writ petition before the Hon'ble Allahabad High Court in this regard which is pending disposal.

c) Note 11 to the Statement regarding ongoing proceedings before the Office of Deputy Labour Commissioner/ Assistant Labour Commissioner (DLC/ALC) in connection with claims of thirty seven ex-employees of the Company seeking their reinstatement in the Company along with certain other reliefs from the Company alleging 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. As described in Note 8, the Company is not in a position to comment on the likely outcome of the ongoing proceedings.

Pending resolution of these matters with appropriate authorities, we are unable to comment on the aggregate potential impact, if any, on the financial 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
Chartered Accountants

CHARAN SEWAK GUPTA
Digitally signed by CHARAN SEWAK GUPTA
Date: 2021.08.12 17:15:58 +05'30'

Charan S. Gupta
Partner
Membership Number: 093044

UDIN: 21093044AAAAAS8961
Gurugram
August 12, 2021