INSILCO LIMITED
(A Member of Evonik Industries Group)
CIN: L34102UP1988PLC010141
Regd. Office - A - 5, UPSIDC Industrial Estate, Bhartiagram, Gajraula, Distt. Amroha, U.P.-244223,
Phone: 09837923893, Fax: (05924) 252348, Email id: insilco@evonik.com, Website: www.insilcoindia.com

Statement of Standalone Unaudited Financial Results for the quarter and nine months ended December 31, 2020

(INR In lakhs)

Sr. No.	Particulars	3 months ended (31/12/2020)	Previous 3 months ended (30/09/2020)	Corresponding 3 months ended in the previous year (31/12/2019)	Year to date figures for current period ended (31/12/2020)	Year to date figures for previous period ended (31/12/2019)	Previous year ended (31/03/2020)
	(Refer notes below)	**Unaudited**	**Unaudited**	**Unaudited**	**Unaudited**	**Unaudited**	**Audited**
1	**Income**						
	(a) Revenue from operations	-	-	1,161	-	5,766	5,775
	(b) Other income (Refer note 6 & 8)	168	138	144	418	386	535
	Total income	**168**	**138**	**1,305**	**418**	**6,152**	**6,310**
2	**Expenses**						
	(a) Cost of materials consumed	-	-	314	-	2,111	2,272
	(b) Changes in inventories of work-in-progress and finished goods	-	-	343	-	620	685
	(c) Employee benefits expense (Refer note 9)	553	214	216	992	664	863
	(d) Depreciation and amortization expense	63	68	72	200	211	283
	(e) Provision for impairment loss of Property, Plant and Equipment (Refer note 4)	1,426	-	-	1,426	-	-
	(f) Power and fuel expense	12	10	268	33	1,624	1,648
	(g) Freight and forwarding charges	-	-	160	-	407	405
	(h) Other expenses (Refer note 5 & 7)	1,248	142	393	1,478	1,026	1,180
	(i) Finance costs (Refer note 5)	57	*	1	58	1	1
	Total expenses	**3,359**	**434**	**1,767**	**4,187**	**6,664**	**7,337**
3	(Loss) before exceptional items and tax (1 - 2)	(3,191)	(296)	(462)	(3,769)	(512)	(1,027)
4	Exceptional items	-	-	-	-	-	-
5	(Loss) before tax (3 - 4)	**(3,191)**	**(296)**	**(462)**	**(3,769)**	**(512)**	**(1,027)**
6	Tax expense						
	(a) Current tax	-	-	-	-	-	-
	(b) Deferred tax	(42)	*	5	(19)	6	20
	Total tax expense	**(42)**	**-**	**5**	**(19)**	**6**	**20**
7	(Loss) for the period (5 - 6)	**(3,149)**	**(296)**	**(467)**	**(3,750)**	**(518)**	**(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	15	(4)	(2)	-	(20)	(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	15	(4)	(2)	-	(20)	(29)
9	Total comprehensive (loss)/income for the period (7 + 8)	**(3,134)**	**(300)**	**(469)**	**(3,750)**	**(538)**	**(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	**(5.02)**	**(0.47)**	**(0.74)**	**(5.98)**	**(0.83)**	**(1.67)**
	(b) Diluted	**(5.02)**	**(0.47)**	**(0.74)**	**(5.98)**	**(0.83)**	**(1.67)**
	See accompanying notes to the financial results						

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

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 and nine months ended December 31, 2020 have not been prepared on a going concern basis. Also refer note 4 below.

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.

Meanwhile vide its order dated 04.12.2020, the Special Secretary dismissed the appeal of the Company while stating. "Therefore, the appellant has the option of presenting its proposal to the Honorable 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 Honorable National Green Tribunal".

The Board has reviewed the legal options available and is of the view that there were no merits in pursuing the matter any further.

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 reports on the results of quarters ended June 30, 2020 and September 30,2020.

4 In view of matter described in note 3 above, the Board of Directors are 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. Accordingly, these financial results for the quarter and nine months ended December 31, 2020 have not been prepared on a going concern. Accordingly, 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 during the quarter and nine months ended December 31, 2020:

a) Impairment loss to the carrying values of Property, Plant and Equipment's (PPE) aggregating to Rs. 1426 lakhs has been recognized in the books of account based on valuation report of an external independent valuer. Valuation of PPE has been carried out on the basis of following key assumptions:

(i) Since the 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 while making the estimates.

(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 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 as specialised and general items. The specific assets have been considered at suitable scrap value whereas general use items depending upon the balance useful life and type of asset has been considered accordingly for estimation of value.

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. 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. (also refer note 5)

c) Write down adjustment to the carrying values of Stores and spares aggregating to Rs.131 lakhs has been recognized in the books of account 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 suitable scrap value is considered. For spares related to core plant and machinery NIL value has been considered.

d) Other assets have been recognised at current realizable value.

e) Liabilities have been recognised to the extent there is a present obligation at the reporting date. Also refer note 9

The Board is exploring options for future course of action for realisation of the Company's assets and discharging its liabilities, which 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 discharging its liabilities.

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 / 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.

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 expenses off in the books of accounts and included in these results for the quarter and nine months ended December 31, 2020 under the head "Other Expenses" as "Transfer Levy" to the extent of Rs.809 lakhs and under "Finance costs" of Rs. 57 lakh towards Transfer Levy and Interest respectively. The Company vide letter dated December 24,2020 intimated to 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. Further adjustments, if any, will be made upon final resolution of the matter.

With respect to this matter, the Statutory Auditors have qualified their review reports on the results for the quarters ended June 30, 2020 and September 30, 2020.

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

Particulars	3 months ended (31/12/2020)	Previous 3 months ended (30/09/2020)	Corresponding 3 months ended in the previous year (31/12/2019)	Year to date figures for current period ended (31/12/2020)	Year to date figures for previous period ended (31/12/2019)	Previous year ended (31/03/2020)
	Unaudited	**Unaudited**	**Unaudited**	**Unaudited**	**Unaudited**	**Audited**
Interest income on financial assets measured at amortised cost	50	59	110	171	222	285
Scrap Sales	-	-	13	-	26	43
Sale of Raw material, stores and spares	80	30	-	110	-	-
Net gain on disposal of property, plant and equipment (Refer note 8)	-	25	-	20	-	-
Provision for obsolete stores & spares and packing material no longer required written back	-	17	-	8	-	-
Net gain/(loss) on financial assets measured at fair value through profit and loss	20	6	21	90	128	193
Miscellaneous income	18	1	-	19	10	14
Other Income	**168**	**138**	**144**	**418**	**386**	**535**

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

7 Other expenses for the current and previous periods includes: **(INR In lakhs)**

Particulars	3 months ended (31/12/2020)	Previous 3 months ended (30/09/2020)	Corresponding 3 months ended in the previous year (31/12/2019)	Year to date figures for current period ended (31/12/2020)	Year to date figures for previous period ended (31/12/2019)	Previous year ended (31/03/2020)
	Unaudited	**Unaudited**	**Unaudited**	**Unaudited**	**Unaudited**	**Audited**
Consumption of stores and spare parts	*	1	29	1	188	203
Loss allowance on stores and spare parts (Refer note 4)	131	-	-	131	-	-
Cost of Raw matetial, stores and spares sold	77	23	-	100	-	-
Information technology expenses	16	15	23	45	67	75
Maintenance charges	16	17	18	49	51	66
Transfer Levy (Refer note 5)	809	-	-	809	-	-
Legal and professional expenses	26	44	159	86	199	237
Sales commission	-	-	36	-	168	168
Waste disposal expenses	45	1	14	48	26	29
Travelling and conveyance	1	*	22	1	30	36
Security expenses	13	13	15	40	45	60
Miscellaneous Expenses	114	28	77	168	252	306
Other Expenses	**1,248**	**142**	**393**	**1,478**	**1,026**	**1,180**

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

8 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 previous 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.

9 (i) During the current quarter, the Board has approved a Voluntary Retirement Scheme 2020 ("VRS 2020") for the Company's employees. The VRS 2020 was introduced on December 11, 2020 for its all permanent staff and workers including those on probation. This scheme was expired on December 21, 2020 and was accepted by 29 employees ("Accepted Employees"). Accordingly, "Employee benefits expense" for the quarter and nine months ended December 31, 2020 includes Rs. 366 lakhs as an expense on account of amounts payable to employees under VRS 2020.

(ii) Subsequent event: VRS 2020 scheme was not accepted by majority of employees and the Company wanted to achieve optimum level of manpower by reducing the existing workforce strength based on the organizational requirements and operational efficiency and cost reduction. Therefore, subsequently in January 2021 the Board approved and introduced a new Voluntary Retirement Scheme 2021 ("VRS 2021") which contained enhanced compensation and benefits as agreed to between the Company and the Union, for all permanent staff and workers of the Company including those on probation excluding the Accepted Employees. However, as per terms of the VRS 2021, the Accepted Employees may be entitled to receive enhanced compensation and benefits as stated in the VRS 2021 in lieu of the benefits and compensation mentioned under the VRS 2020 subject to certain conditions. The VRS 2021 expired on January 25, 2020 and was accepted by 53 employees. Further, Accepted Employees have accepted conditions set out in the VRS 2021. Since the 2021 VRS is an unadjusting subsequent event after the reporting period as envisaged in Ind AS 10, Events after the Reporting Period, amount payable in terms of the VRS 2021 aggregating to Rs.1,322 lakhs, including additional compensation and benefits to the Accepted Employees, will be provided for in the subsequent period when employees accepted the VRS 2021.

10 Previous period figures have been regrouped, wherever necessary.

11 This statement has been reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on February 10, 2021.

For and on Behalf of the Board of Directors of
For Insilco Limited

VINOD PAREMAL NARAYANAN
Digitally signed by VINOD PAREMAL NARAYANAN
Date: 2021.02.10 17:10:39 +05'30'

Place : Mumbai
Dated : February 10, 2021

Director : Paremal Narayanan Vinod
DIN : 0008803466

We have signed this statement for identification purposes only and this Statement should be read in conjunction with our report dated February 10, 2021.

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

CHARAN SEWAK GUPTA
Digitally signed by CHARAN SEWAK GUPTA
Date: 2021.02.10 17:55:39 +05'30'

Charan S Gupta
Partner
Membership Number: 093044

Place: Gurugram
Date: February 10, 2021

Review Report

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 nine months ended December 31, 2020 which are included in the accompanying 'Statement of Standalone Unaudited Financial Results for the quarter and nine months ended December 31, 2020', (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's appeals before the Special Secretary, Environment, Department of Environment, UP have been dismissed by the Special Secretary wide orders dated December 4, 2020. As stated in the said note, the Board of directors of the Company are of the view that there were no merits in pursuing the matter any further. As described in Note 4, use of the going concern basis of accounting in the preparation of the financial results is considered inappropriate as there are no realistic alternatives for resumption of the Company's operations and accordingly, the financial results for the quarter and nine months ended December 31, 2020 have not been prepared on a going concern basis and certain adjustments described in the said note have been made based on the current estimates of the Company. Further, as described in the said note, the Board of Directors is exploring options for future course of action for the realisation of the assets and settlement of its liabilities, which might affect the classification and consequential adjustments to the carrying values of assets and liabilities of the Company, the impact of which on the Statement cannot be ascertained at this stage.

b) Note 5 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 has been expensed during the quarter ended December 31, 2020 and has contested before UPSIDA that the aforementioned other terms and conditions in respect of the lease are not applicable to the Company.

Pending resolution of these matters with appropriate authorities, we are unable to comment on the 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

CHARAN SEWAK GUPTA

Digitally signed by CHARAN SEWAK GUPTA
Date: 2021.02.10 17:57:12 +05'30'

Charan S Gupta
Partner
Membership Number: 093044
UDIN: 21093044AAAAAD8244

Gurugram
February 10, 2021