

INSILCO LIMITED  
(Under Voluntary Liquidation wef 25.06.2021)  
CIN: L34102UP1988PLC010141  
Regd. Office - B-23, Sector 63, Noida, Uttar Pradesh - 201301,  
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**Statement of Standalone Audited Financial Results for the year ended March 31, 2024**

Sr. No.	Particulars	(INR In lakhs)				
		3 months ended (31/03/2024)	Previous 3 months ended (31/12/2023)	Corresponding 3 months ended in the previous year (31/03/2023)	Current year ended (31/03/2024)	Previous year ended (31/03/2023)
	(Refer notes below)	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	<b>Income</b>					
	(a) Revenue from operations	-	-	-	-	-
	(b) Other income (Refer note 5)	58	3,982	65	4,166	265
	<b>Total income</b>	<b>58</b>	<b>3,982</b>	<b>65</b>	<b>4,166</b>	<b>265</b>
2	<b>Expenses</b>					
	(a) Cost of materials consumed	-	-	-	-	-
	(b) Changes in inventories of work-in-progress and finished goods	-	-	-	-	-
	(c) Employee benefits expense (Refer note 7)	8	19	14	61	174
	(d) Depreciation and amortization expense (Refer note 3 (c))	-	-	1	1	2
	(e) Impairment loss on Property, Plant and Equipment and intangible assets (Refer note 3(c))	-	-	-	-	-
	(f) Power and fuel expense	-	8	7	25	32
	(g) Other expenses (Refer note 4 & 6)	145	123	186	641	814
	(h) Finance costs (Refer note 4)	-	-	-	-	1
	<b>Total expenses</b>	<b>153</b>	<b>150</b>	<b>208</b>	<b>728</b>	<b>1,023</b>
3	(Loss) before exceptional items and tax (1 - 2)	(95)	3,832	(143)	3,438	(758)
4	Exceptional items	-	-	-	-	-
5	(Loss) before tax (3 - 4)	(95)	3,832	(143)	3,438	(758)
6	<b>Tax expense</b>					
	(a) Taxes relating to earlier years	-	-	-	-	(16)
	(b) Income tax for the year	15	255	21	302	67
	<b>Total tax expense</b>	<b>15</b>	<b>255</b>	<b>21</b>	<b>302</b>	<b>51</b>
7	<b>Profit/(Loss) for the period (5 - 6)</b>	<b>(110)</b>	<b>3,577</b>	<b>(164)</b>	<b>3,136</b>	<b>(809)</b>
8	<b>Other comprehensive income, net of income tax</b>					
	A.(i) Items that will not be reclassified to profit or loss					
	- gain/(loss) on defined benefit obligation	-	-	-	-	-
	(ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-
	B.(i) Items that will be reclassified to profit or loss	-	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
	<b>Total other comprehensive (loss)/income, net of income tax</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
9	<b>Total comprehensive (loss)/income for the period (7 + 8)</b>	<b>(110)</b>	<b>3,577</b>	<b>(164)</b>	<b>3,136</b>	<b>(809)</b>
10	<b>Paid-up equity share capital (face value of the share Rs 10/- each)</b>	<b>6,272</b>	<b>6,272</b>	<b>6,272</b>	<b>6,272</b>	<b>6,272</b>
11	<b>Earnings per share (of Rs 10/- each) (not annualised)</b>					
	(a) Basic	(0.18)	5.70	(0.26)	5.00	(1.29)
	(b) Diluted	(0.18)	5.70	(0.26)	5.00	(1.29)
	See accompanying notes to the financial results					

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

\*\* Refer Note 11 below

Statement of Asset and Liabilities as at March 31, 2024		
Particulars	(INR In lakhs)	
	As at 31/03/24	As at 31/03/23
	Unaudited	Audited
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment (Refer Note 5)	-	2
Right-of-use assets (Refer Note 5)	-	-
Other intangible assets	-	-
Financial assets		
i. Other financial assets	-	-
Income tax assets (net)	-	-
<b>Total non-current assets</b>	-	2
<b>Current assets</b>		
Inventories	-	24
Financial assets		
i. Cash and cash equivalents	3,836	401
ii. Bank balances other than (iii) above	-	4,290
iii. Other financial assets	522	20
Income tax assets	-	-
Other current assets	-	111
Assets classified as held for sale (Refer Note 5)	-	613
<b>Total current assets</b>	4,358	5,459
<b>Total assets</b>	4,358	5,461
<b>Equity and liabilities</b>		
<b>Equity</b>		
Equity share capital	6,272	6,272
Other equity	(2,307)	(5,444)
<b>Total equity</b>	3,965	828
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
Financial liabilities		
i. Lease liabilities	-	-
Employee benefit obligations	-	-
<b>Total non-current liabilities</b>	-	-
<b>Current liabilities</b>		
Financial liabilities		
i. Lease liabilities	-	-
ii. Trade payables		
-Total outstanding dues of micro, medium and small	6	25
-Total outstanding dues of creditors other than micro medium	24	264
iii. Other financial liabilities	-	-
Provisions	-	320
Employee benefit obligations	1	1
Income tax liabilities	146	-
Other current liabilities	216	4,022
Liabilities directly associated with assets classified as held for sale	-	1
<b>Total current liabilities</b>	393	4,633
<b>Total liabilities</b>	393	4,633
<b>Total equity and liabilities</b>	4,358	5,461

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

## Statement of Cash Flows for the year ended March 31, 2024

Particulars	(INR In lakhs)	
	Year ended 31-Mar-24	Year ended 31-Mar-23
	Unaudited	Unaudited
<b>Cash flow from operating activities</b>		
<b>(Loss) before income tax</b>	3,438	(759)
<b>Adjustments for</b>		
Depreciation and amortization expense	1	2
Net (gain)/ loss on disposal of property, plant and equipment (net)	(3,371)	(23)
Interest income on financial assets measured at amortised cost	(244)	(241)
Finance costs	-	1
Liabilities and provision no longer required written back	(551)	-
Loss allowance / (written back)	49	116
Balance written off	15	-
Net exchange differences	-	1
<b>Changes in operating assets and liabilities</b>		
(Increase)/ decrease in inventories	41	3
(Increase)/ decrease in other financial asset	(522)	-
(Increase)/ decrease in other non-current assets	208	(116)
(Increase)/ decrease in other current assets	111	29
(Increase)/ decrease in Assets classified as held for sale	598	57
Increase/ (decrease) in trade payables	(258)	201
Increase/ (decrease) in other financial liabilities	-	(29)
Increase/ (decrease) in provisions	-	-
Increase/(decrease) in employee benefit obligations	1	(132)
Increase/ (decrease) in other current liabilities	(3,832)	1,890
<b>Cash (used in)/ generated from operations</b>	<b>(4,316)</b>	<b>1,000</b>
Income taxes paid/(refund received)	156	43
<b>Net cash (used in)/ outflow from operating activities</b>	<b>(4,472)</b>	<b>957</b>
<b>Cash flow from investing activities</b>		
Proceeds from sale of property, plant and equipment	3,353	24
Interest received	264	260
Fixed deposits with maturity of more than three months but less than twelve months	4,290	(2,190)
Deposits made with original maturity of more than twelve months	-	1,145
<b>Net cash outflow from / (used in) investing activities</b>	<b>7,907</b>	<b>(761)</b>
<b>Cash flow from financing activities</b>		
Interest paid	-	(1)
<b>Net cash (used in)/ outflow from financing activities</b>	<b>-</b>	<b>(1)</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>	<b>3,435</b>	<b>195</b>
Cash and cash equivalents at beginning of the year	401	206
<b>Cash and cash equivalents at year end</b>	<b>3,836</b>	<b>401</b>

\* 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. These financial results for the quarter ended March 31, 2024 have not been prepared on a going concern basis. Please refer to note 3 below.

2 As Insilco Limited's (Company) business activity falls within single primary business segment, viz. "Manufacturing of Precipitated Silica" the disclosure requirements of Indian Accounting Standard (Ind AS) 108 "Operating Segments" are not applicable.

**3 A) Preparation of financial statements not on a going concern**

The Uttar Pradesh Pollution Control Board ("UPPCB") had, in October 2019 denied the Company's application for renewal of Consent to Operate its plant at Gajraula, Uttar Pradesh under the Water (Prevention and Control of Pollution) Act, 1974 and the Air (Prevention and Control of Pollution) Act, 1974 ("Consent to Operate") inter alia on the following ground:

"The unit is using fresh water for dilution of effluent to achieve the norms of Sodium Absorption Ratio (SAR) 26. The study carried out by /IT Roorkee has not recommended any feasible method for treatment of the effluent to achieve the prescribed norms. The process of dilution with fresh water cannot be allowed. Keeping the facts in view the Consent to operate water/air application is hereby rejected. Unit may submit final report of IIT, Roorkee to Central Pollution Control Board, (CPCB) and seek suitable direction."

The Company thus suspended the operations of its plant located at Gajraula in October 2019. The Company filed fresh applications on November 21, 2019, for Consent to Operate, however, the same were dismissed by the UPPCB vide order dated February 4, 2020. The Company challenged the aforesaid order by separate appeals under Section 28 of the Water (Prevention & Control of Pollution) Act, 1974 and Section 31 of the Air (Prevention & Control of Pollution) Act, 1981 respectively before the Special Secretary, Department of Environment, Forest and Climate, Uttar Pradesh against the orders of UPPCB. However, the Special Secretary vide its order dated December 4, 2020, dismissed the appeals filed by the Company. The operations at the plant located at Gajraula, Uttar Pradesh, which is the only plant of the Company, has remained suspended since October 2019.

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

**B) Voluntary liquidation process:**

(i) The Board of Directors of the Company had decided to initiate the voluntary liquidation process as envisaged under the provisions of the Insolvency & Bankruptcy Code, 2016 ("Code"). In this regard, the Board granted its in - principle approval for initiating the voluntary liquidation process of the Company in its meeting dated March 30, 2021 and accordingly on May 31, 2021, the consent of the Board of Directors was accorded to initiate the voluntarily liquidation process of the Company in accordance with the provisions of Section 59 of the Code and appoint an Mr. Chandra Prakash, an Insolvency Professional who is duly registered with the Insolvency and Bankruptcy Board of India, as the Liquidator of the Company to conduct its liquidation process. The decision of the Board was also followed by requisite resolutions being approved by the shareholders of the Company in the Extra-Ordinary General Meeting held on June 25, 2021 in accordance with Section 59(3)(c)(i) of the Code. Furthermore, on June 29, 2021 the said resolutions have also been approved by the creditors of the Company representing two-thirds in value of the debt of the Company as required under the Section 59(3) of the Code.

(ii) Accordingly, with effect from June 25, 2021, the Company is under voluntary liquidation process and Mr. Chandra Prakash (having registration no. IBBI/IPA-002/IP-N00660/2018-2019/12023) was been appointed as the Liquidator of the Company, who is discharging his functions and duties provided in the Code and the IBBI (Voluntary Liquidation Process) Regulations, 2017 ("VL Regulations"). Subsequently, the Board of Directors with the approval of the members and creditors of the Company appointed Ms. Kapila Gupta, (having registration no. IBBI/IPA-001/IP-P-02564/2021-2022/13955) an Insolvency Professional who is duly registered with the Insolvency and Bankruptcy Board of India, as the Liquidator of the Company to replace Mr. Chandra Prakash as the liquidator of the Company.

(iii) Upon its appointment as the Liquidator, the Liquidator published a public announcement calling upon all the stakeholders of the Company to submit their claims. The Public Announcement was published in accordance with Regulation 14 of the VL Regulations on June 30, 2021 and the last date of submission of claims as per the public announcement was July 25, 2021 (i.e. 30 days of the Liquidation Commencement Date).

As per the claims received by the Liquidator and consequent verification of the same, the status of claims as on **May 29, 2024** is as under:

INR in Lakhs			
Particulars	Claims Received	Claims Admitted	Outstanding as on May 29, 2024*
Employees and workman	87.92	86.9	Nil
Operational creditors	55.74	Nil	Nil

\* Claims aggregating INR 86.90 lakhs were admitted as per list of stakeholders which was published on the website of the Company as on 1 November 01, 2021. All the admitted claims of INR 86.90 lakhs, have been settled as on **May 29, 2024**.

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

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

a) Only one bid for INR 42 Cr (Reserve Price being INR 42 Cr) was received for composite sale of rights to the leasehold land admeasuring approx. 67 acres located at Gajraula Industrial Area, Uttar Pradesh along with the buildings and structures standing on the lands and all other fixed assets of the Company including Plant & Machinery, Furniture & Fixtures, inventory etc. pertaining to Gajraula Plant (Disposal Group of assets'). Accordingly, the bidder was declared a successful bidder and a Letter of Intent (LOI) was issued by the Liquidator. As per the terms of the LOI, the successful bidder has paid the entire consideration of Rs. 42.00 Cr. by April 28, 2022.

A Sale Certificate dated April 14, 2023 has been issued by the Liquidator for transfer of the leasehold rights for Gajraula Land of the Company on an "as is where is basis", "as is what is basis", "whatever there is basis" and "no recourse" basis to the M/s. Dykes and Dunes Enterprises Private Limited ("Successful Bidder"), which inter alia required the Successful Bidder to enter into a new lease deed with Uttar Pradesh State Industrial Development Authority ("UPSIDA") and complete all processes with UPSIDA or otherwise to give effect to the transfer.

The Company has executed a surrender of lease deed in favour of UPSIDA for surrender of the leasehold land in favour of UPSIDA on November 04, 2023.

Separately, a sale deed dated November 06, 2023 has been executed between the Company and the Successful Bidder for transfer of the plant, built up area and structures on the leasehold land (but excluding the leasehold land) in favour of the Successful Bidder.

The Successful Bidder has forwarded to the Company the Transfer Memorandum dated November 18, 2023 received by it from UPSIDA. The Company has issued letter dated November 27, 2023 to the Successful Bidder confirming that pursuant to the sale deed and the surrender of lease deed the Company has relinquished possession of the land, building & other assets in respect of the Gajraula Land.

Pursuant to such surrender, the Successful Bidder has informed the Company that the Successful Bidder has executed a fresh lease deed with UPSIDA in respect of the grant of leasehold rights in the land in favour of the Successful Bidder, and has shared the lease deed dated December 16, 2023 executed with UPSIDA for the same.

Based on the above facts, the Company has booked the net gain from the aforementioned slump sale of assets of the Company.

b) Company has sold Non Agriculture Freehold Land at Mehsana Gujarat (Mehsana Land) Land by way to a private sale for a consideration INR 23 Lakhs, which was higher than the Reserve Price fixed for the Mehsana Land. The transfer processes and execution of definitive documents for transfer of Mehsana Land was completed and the sale was recognised in the books during the quarter ended June 30, 2022.

(vi) Pursuant to Regulation 37 of VL Regulations, in the event of the liquidation process continues for a period of more than 12 (twelve) months, the liquidator is required to hold a meeting of the contributories of the Company within 15 (fifteen) days from the end of the 12 (twelve) months from the liquidation commencement date, and at the end of every succeeding twelve months till dissolution of the Company.

Accordingly, pursuant to Regulation 37(2)(a) of the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process), Regulations, 2017), the Liquidator held 1st Annual Contributories Meeting of Insilco Limited (Under Voluntary Liquidation) on July 11, 2022 and subsequently 2nd Annual Contributories Meeting was held on July 06, 2023 through Video Conferencing (VC)/Other Video Visual Means (OAVM) wherein an Annual Status Report indicating progress in liquidation of the Company was presented to the contributories attending the meeting.

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

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

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

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

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

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

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

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

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

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

Particulars	3 months ended (31/03/2024)	Previous 3 months ended (31/12/2023)	Corresponding 3 months ended in the previous year (31/03/2023)	Current year ended (31/03/2024)	Previous year ended (31/03/2023)
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Loss allowance	41	(38)	54	49	116

4 Other income for the current and previous periods includes:

(INR In lakhs)					
Particulars	3 months ended (31/03/2024)	Previous 3 months ended (31/12/2023)	Corresponding 3 months ended in the previous year (31/03/2023)	Current year ended (31/03/2024)	Previous year ended (31/03/2023)
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Interest income on financial assets measured at amortised cost	58	60	65	244	241
Net gain on disposal of property, plant and equipment	-	-	-	-	1
Net gain on disposal of investment property classified as held for sale including leasehold rights	-	3,371	-	3,371	22
Miscellaneous income	-	551	-	551	1
<b>Other Income</b>	<b>58</b>	<b>3,982</b>	<b>65</b>	<b>4,166</b>	<b>265</b>

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

5 Other expenses for the current and previous periods includes:

(INR In lakhs)					
Particulars	3 months ended (31/03/2024)	Previous 3 months ended (31/12/2023)	Corresponding 3 months ended in the previous year (31/03/2023)	Current year ended (31/03/2024)	Previous year ended (31/03/2023)
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Loss allowance	41	(38)	54	49	116
Information technology expenses	-	-	-	-	10
Insurance	2	-	3	3	8
Legal and professional expenses	96	99	92	414	358
Rates & Taxes	-	10	3	30	37
Fees paid to UPSIC for Map approval	-	-	-	-	136
Waste disposal expenses	-	1	2	3	8
Travelling and conveyance	1	1	1	2	3
Security expenses	-	18	19	54	77
Premises Upkeep	1	6	5	19	25
Directors Sitting Fee	-	1	1	8	8
Deposit written off	-	15	-	15	-
Miscellaneous Expenses	4	10	6	44	28
<b>Other Expenses</b>	<b>145</b>	<b>123</b>	<b>186</b>	<b>641</b>	<b>814</b>

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

Consequent to the failure of conciliation proceedings between the Company and certain former employees in relation to complaints of the former employees seeking their reinstatement in the Company along with certain other reliefs from the Company, claiming 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.

Thereafter, the Company has on October 21, 2022 received 35 (Thirty-five) summons in Hindi language, each dated October 17, 2022, from the Labour Court, Rampur, Uttar Pradesh ("Labour Court"), in relation to the applications filed by the ex-employees of the Company.

Thereafter, noting that all the complaints pertain to the same subject matter, Case No. 24 of 2022 being Bijender Singh v Insilco Ltd. was designated as the lead matter.

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

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

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

We have received certain objection applications that have been filed on behalf of the workmen, objecting to the signing of the Company's written statement by the Liquidator, Ms. Kapila Gupta, and seeking rejection of the Company's written statement on such grounds. We have filed individual replies to the aforementioned objection applications.

The Company has also filed applications before the Labour Court seeking that the Workmen be directed to refund the amounts deposited by them under the VRS 2021 in order to continue prosecution of their claims before the Labour Court, as well as applications seeking urgent hearing of the matter owing to the impending liquidation of the Company.

Pursuant to the hearing on March 14, 2024, the Ld. Labour Court was pleased to dismiss the objections raised by the workmen regarding the pleadings filed on behalf of Insilco being signed by the Liquidator of the Company, in the favour of Insilco.

The matters are now posted to the following date: **May 30, 2024** for disposal of the application for refund of the amounts received by the workmen under the VRS.

8 Bombay stock exchange has suspended the trading in the share of company w.e.f., 07th October 2022.

9 The figures for the last quarter are balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures upto the third quarters of the respective financial years.

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

11 This statement has been reviewed by the Audit Committee and approved by the Board of Directors and Liquidator in their meeting held on **May 29, 2024**.

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

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

**Place: Mumbai**

KAPILA  
GUPTA

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Date: 2024.05.29  
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**Kapila Gupta**  
**Liquidator of Insilco Limited**  
**[Registration no. IBB/I/PA-001/**  
**IP-P-02564/2021-2022/13955]**

**Place: Noida**

**Date: May 29, 2024**

# Shiv & Associates

*Chartered Accountants*

113-114, Naurang House, A Block, 1st Floor, 21

Kasturba Gandhi Marg, New Delhi-110001, INDIA,

Tel: +91-11-41510116, 42740080 E-mail: [info@cashiv.in](mailto:info@cashiv.in)

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF INSILCO LIMITED (UNDER LIQUIDATION)

#### Report on the Audit of the Financial Statements

#### Qualified Opinion

We have audited the accompanying financial statements of **Insilco Limited (Under Liquidation)** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024, and the profit, total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### Basis for Qualified Opinion

We draw your attention to the following matters:

a) Refer Note 30 (a) to the financial statement is regarding suspension of the Company's manufacturing operations due to rejection of the Company's applications for water and air consent approvals by the U.P. Pollution Control Board (UPPCB) vide its order dated October 22, 2019. The Company's appeals before the Special Secretary, Department of Environment, UP have been dismissed by the Special Secretary vide orders dated December 4, 2020. As stated in the said note, the Board of Directors recommended voluntary liquidation of the Company and accordingly, use of the going concern basis of accounting in the preparation of the financial statements is considered inappropriate as there are no realistic alternatives for resumption of the Company's operations and accordingly, the financial statement for the year ended March 31, 2024 have not been prepared on a going concern basis. Further, as stated in Note 30 (b), with effect from June 25, 2021 the Company is under Voluntary Liquidation Process subsequent to consent of the Board on May 31, 2021 and approval of the shareholders and creditors of the

Company to voluntarily liquidate the Company and appointment of a Liquidator in accordance with Section 59 of the Insolvency & Bankruptcy Code, 2016 (“Code”). Further, as described in notes 30 (c) to the financial statement, future course of action, during the voluntary liquidation process, being adopted for realisation of the Company’s assets and settlement of its liabilities might affect the classification and consequential adjustments to the carrying values of assets and liabilities of the Company, the impact of which on the financial Statement cannot be ascertained at this stage.

b) Refer Note 31 to the Statement regarding ongoing proceedings before the Office of Deputy Labour Commissioner/ Assistant Labour Commissioner (DLC/ALC) in connection with claims of thirty-six 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 amount as per the Voluntary Retirement Scheme (VRS) and that the VRS was not specifically asked for by the employees.

We conducted our audit of the financial statements in accordance with the Standards on Auditing (“SA”s) specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion on the financial statements.

### **Key Audit Matter**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Except for the matters described in the Basis for Qualified Opinion section above, we have determined that there are no other key matters to be communicated in our report.

### **Information Other than the Financial Statements and Auditor’s Report thereon**

The Company’s Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board’s Report including Annexures to Board’s Report, Business Responsibility Report, Corporate Governance and Shareholder’s Information, but does not include the financial statements and our auditor’s report thereon. The above reports are expected to be made available to us after the date of this auditor’s report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated

### **Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. The Board of Directors are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143(3) of the Act, based on our audit we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, except for the indeterminate effect of the matters described in the Basis for Qualified Opinion paragraph section of our report, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, except for the indeterminate effect of the matters described in the Basis for Qualified Opinion paragraph section of our report, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) The matters described in the Basis for Qualified Opinion section of our report may have an adverse effect on the functioning of the company.
- f) On the basis of the written representations received from the directors except from one director as on March 31, 2024 taken on record by the Board of Directors, none of the directors except one director is disqualified as on March 31, 2024 from being appointed as a director in terms of Section 164 (2) of the Act.
- g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion section of our report.
- h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”.
- i) In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- j) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 24 to the financial statements;
  - ii. There is no such case for which the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The company has not declared or paid any dividend during the year.

vi. Based on our examination which included test checks, the company has used an accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with.

2. As required by the Companies (Auditor’s Report) Order, 2020 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order.

**For Shiv & Associates**  
**Chartered Accountants**  
**Firm Reg. No. 009989N**

**MANISH**  
**GUPTA**

**Manish Gupta**

**Partner**

**Membership No. 095518**

**Place: New Delhi**

**Date: May 29, 2024**

**UDIN: 24095518BKALDU9013**

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## **ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT**

**(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report to the Members of Insilco Limited (Under Liquidation) of even date)**

### **Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)**

We have audited the internal financial controls over financial reporting of **Insilco Limited (Under Liquidation)** (“the Company”) as of March 31, 2024 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor’s Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the

assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our qualified opinion on the internal financial controls system over financial reporting of the Company.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Basis for Qualified Opinion**

According to the information and explanations given to us and based on our audit, a material weakness in the Company's internal control system has been identified as at March 31, 2024 in the period end financial reporting process as we were unable to obtain sufficient appropriate evidence with respect to operating effectiveness of the Company's internal control for the evaluation and assessment of carrying value of certain assets and liabilities along with the classification, presently under litigation as described in note 30 of the financial statements, along with the related uncertainty over the future course of events in respect of realisation of the assets and settlement of its liabilities as described in note 30 of the financial statements.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

## Qualified Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the financial statements of the Company for the year ended March 31, 2024, and the material weaknesses referred to in paragraph “Basis of qualified opinion” have affected our opinion on the financial statements of the Company and we have issued a qualified opinion on the financial statements. Refer Basis of Qualified Opinion section of the main audit report.

**For Shiv & Associates  
Chartered Accountants  
Firm Reg. No. 009989N**

**MANISH GUPTA**  
**Manish Gupta**  
**Partner**

**Membership No. 095518**

**Place: New Delhi**

**Date: May 29, 2024**

**UDIN: 24095518BKALDU9013**

**Digitally signed by MANISH GUPTA**  
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**ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT  
(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements'  
section of our report to the Members of Insilco Limited (Under Liquidation) of even date)**

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:

a) (A) During the year under audit the Company has disposed off all the Property, Plant and equipment, as on 31.03.2024 company do not hold any property, plant and equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) There is no property, plant and equipment held as on 31.03.2024, hence clause is not applicable.

(c) There was no immovable properties held as on 31.03.2024, hence reporting under this clause is not applicable.

(d) The Company has not revalued any of its Property, Plant and Equipment (including right of-use assets) and intangible assets during the year.

(e) Based on the information and explanations furnished to us, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

ii. a) Company did not have any inventories as on 31.03.2024, hence reporting under this clause is not applicable.

b) The Company has not been sanctioned working capital limits at any points of time during the year, from banks or financial institutions and hence reporting under clause 3(ii)(b) of the Order is not applicable.

iii. The company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to the companies, firm, Limited Liability Partnership or any other firms, hence reporting under clause 3 (iii)(a),(b),(c),(d),(e) and (f) is not applicable.

iv. The company has not granted any loans or made any investments or provided any guarantees or security to the parties covered within the provisions of Sections 185 and 186 of the Act. Hence reporting under clause 3 (iv) is not applicable.



v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2024 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.

vi. The Central Government of India has not specified the maintenance of cost records under subsection (1) of Section 148 of the Act for any of the products of the Company.

vii. According to the information and explanations given to us, in respect of statutory dues:

(a) In our opinion, the Company has been regular in depositing undisputed statutory dues, including Goods and Services tax, Provident Fund, Employees' State Insurance, Income Tax, Service Tax, duty of Custom, duty of Excise, Cess and other material statutory dues applicable to it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income Tax, Service Tax, duty of Custom, duty of Excise, Cess and other material statutory dues in arrears as at March 31, 2024 for a period of more than six months from the date they became payable.

(b) there is no dues as mentioned in sub clause (a) which have not been deposited as at March 31, 2024 on account of dispute.

viii. According to the information and explanations given to us, there were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

ix. a) The company did not have any loans or other borrowings from any lender during, hence the reporting under clause 3(ix)(a) is not applicable.

b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

c) Based on the records examined by us the Company has not taken any term loan during the year.

d) On an overall examination of the financial statements of the Company, we conclude that no funds have been raised during the year under audit. Hence reporting under 3(ix)(d) is not applicable.

e) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year.

f) According to the information and explanations given to us and procedures performed by us, we report that the Company did not have any subsidiaries, joint ventures or associate companies during the year.

x. a) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause 3(x)(a) of the Order is not applicable.

b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause 3(x)(b) of the Order is not applicable.

xi. a) No fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.

c) Company has not received any whistle blower complaints during the year (and upto the date of this report), hence clause 3(xi)(c) is not applicable.

xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.

xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013 where ever applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.

b) We have considered, the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.

xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.

xvi. a) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause 3(xvi)(a), (b) and (c) of the Order is not applicable.

b) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(d) of the Order is not applicable.

xvii. The Company has not incurred cash losses during the financial year covered by our audit and Rs. 80,747 ('000) cash losses incurred in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors of the Company during the year.

**UDIN: 24095518BKALDU9013**

**Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-  
with Annual Audited Financial Results - (Standalone and Consolidated separately)**

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2024 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) INR thousand	Adjusted Figures (audited figures after adjusting for qualifications)* INR thousand
I.	1.	Turnover / Total income	416,611	416,611
	2.	Total Expenditure	72,768	72,768
	3.	Net Profit/(Loss)	343,843	343,843
	4.	Earnings Per Share	5.00	5
	5.	Total Assets	435,823	435,823
	6.	Total Liabilities	39,390	39,390
	7.	Net Worth	396,433	396,433
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-
* Impact of qualifications cannot be quantified as of now.				
II.	Audit Qualification (each audit qualification separately):			
	A	Details of Audit Qualification: Refer "Basis for Qualified Opinion" of Independent auditor's report to the members of the Company on the Standalone Ind AS Financial Statement as at and for the year ended March 31, 2024, which are reproduced below:		
		a) Refer Note 30 (a) to the financial statement is regarding suspension of the Company's manufacturing operations due to rejection of the Company's applications for water and air consent approvals by the U.P. Pollution Control Board (UPPCB) vide its order dated October 22, 2019. The Company's appeals before the Special Secretary, Department of Environment, UP have been dismissed by the Special Secretary vide orders dated December 4, 2020. As stated in the said note, the Board of Directors recommended voluntary liquidation of the Company and accordingly, use of the going concern basis of accounting in the preparation of the financial statements is considered inappropriate as there are no realistic alternatives for resumption of the Company's operations and accordingly, the financial statement for the year ended March 31, 2024 have not been prepared on a going concern basis. Further, as stated in Note 30 (b), with effect from June 25, 2021 the Company is under Voluntary Liquidation Process subsequent to consent of the Board on May 31, 2021 and approval of the shareholders and creditors of the Company to voluntarily liquidate the Company and appointment of a Liquidator in accordance with Section 59 of the Insolvency & Bankruptcy Code, 2016 ("Code"). Further, as described in notes 30 (c) to the financial statement, future course of action, during the voluntary liquidation process, being adopted for realisation of the Company's assets and settlement of its liabilities might affect the classification and consequential adjustments to the carrying values of assets and liabilities of the Company, the impact of which on the financial Statement cannot be ascertained at this stage.		
		b) Refer Note 31 to the Statement regarding ongoing proceedings before the Office of Deputy Labour Commissioner/ Assistant Labour Commissioner (DLC/ALC) in connection with claims of thirty-six 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 amount as per the Voluntary Retirement Scheme (VRS) and that the VRS was not specifically asked for by the employees.		
	B	Type of Audit Qualification : Qualified Opinion		
	C	Frequency of qualification: All Qualifications are repetitive. Qualification (a) is repeating 5th year & (b) for 3rd year		
	D	For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not quantified by auditor, hence not applicable		
	E	For Audit Qualification(s) where the impact is not quantified by the auditor:		
		(i) Management's estimation on the impact of audit qualification: The Management is not in a position to quantify the impact of audit qualification at the present point in time.		
		(ii) If management is unable to estimate the impact, reasons for the same: Management is unable to estimate the impact due to following reasons: With respect to audit qualification in paragraph 3(a) of the audit report the impact depends upon the future course of events for the realisation of the assets and settlement of its liabilities as stated in note 30 of the financial statements; and matter referred to in audit qualification in paragraph 3(b) of the audit report is pending disposal by appropriate authorities as stated in note 31 of the financial statements.		
		(iii) Auditors' Comments on (i) or (ii) above: We agree with the view of management.		
III.	Signatories :			
	<input type="checkbox"/>	CEO/Managing Director	PAREMAL NARAYAN VINOD Digitally signed by PAREMAL NARAYAN VINOD Date: 2024.05.29 16:21:19 +05'30'	
	<input type="checkbox"/>	Liquidator	KAPILA GUPTA Digitally signed by KAPILA GUPTA Date: 2024.05.29 16:01:44 +05'30'	
	<input type="checkbox"/>	Audit Committee Chairman	SONIA PRASHAR Digitally signed by SONIA PRASHAR Date: 2024.05.29 16:09:44 +05'30'	
	<input type="checkbox"/>	Chief Financial Officer	RAJEEV AGARWAL Digitally signed by RAJEEV AGARWAL Date: 2024.05.29 16:00:38 +05'30'	
	<input type="checkbox"/>	Statutory Auditor	MANISH GUPTA Digitally signed by MANISH GUPTA Date: 2024.05.29 16:00:38 +05'30'	
Date : May 29, 2024				