

Insilco Limited

(Under voluntary liquidation wef 25.06.2021)

12th August 2022

The Listing Department
The Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers
25th Floor, Dalal Street
Mumbai- 400001

Sub: Un-audited Financial Results for the Quarter/Three months ended 30th June 2022 and Limited Review Reports thereon

Ref: Scrip Code No. 500211

Dear Sir/Madam

Pursuant to the provisions of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as 'Regulations'), please find enclosed herewith the following:

1. The Un-audited Financial Results for the Quarter/Three months ended 30th June 2022, which have been reviewed by the Audit Committee and approved by the Board of Directors in their respective meetings held on 12th August 2022 as per format prescribed.
2. A copy of Limited Review Report on Un-audited Financial Results for the Quarter/Three months ended 30th June 2022 submitted by Statutory Auditor of the Company.

The said Board Meeting commenced at 6:50 p.m. and concluded at 7:30 p.m.

The above is for your information and records.

Thanking You

Yours Faithfully

For Insilco Limited
(Under Voluntary Liquidation)



Geetika Varshney
Company Secretary and Compliance Officer

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Price Waterhouse & Co Chartered Accountants LLP

Review Report

To
The Board of Directors
Insilco Limited (Under Liquidation)
A-5, UPSIDC Industrial Estate
Bhartiagram, Gajraula – 244223
Uttar Pradesh

1. We have reviewed the unaudited financial results of Insilco Limited (Under Liquidation) (the "Company") for the quarter ended June 30, 2022 which are included in the accompanying 'Statement of Standalone Unaudited Financial Results for the quarter ended June 30, 2022 (the "Statement")'. The Statement has been prepared by the Company pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations, 2015"), which has been initialled 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(A) to the statement regarding suspension of the Company's manufacturing operations due to rejection of the Company's applications for water and air consent approvals by the U.P. Pollution Control Board (UPPCB) vide its order dated October 22, 2019. The Company's appeals before the Special Secretary, Department of Environment, UP have been dismissed by the Special Secretary vide orders dated December 4, 2020. As stated in the said note, the Board of Directors recommended voluntary liquidation of the Company and accordingly, use of the going concern basis of accounting in the preparation of the financial statements is considered inappropriate as there are no realistic alternatives for resumption of the Company's operations and accordingly, the financial results for the quarter ended June 30, 2022 have not been prepared on a going concern basis. Further, as stated in Note 3(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 3(B) and 3(C) to the statement, any adjustments to the classification and carrying value of assets and liabilities of the Company as an outcome of future course of actions including completion of sale of assets being subject to execution of definitive documents upon receipt of UPSIDA approval for transfer of leasehold land, cannot be ascertained at this stage.

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Price Waterhouse & Co. (a Partnership Firm) Converted into Price Waterhouse & Co Chartered Accountants LLP (a Limited Liability Partnership with LLP Identity no: LLPINAAC-4362) with effect from July 7, 2014. Post its conversion to Price Waterhouse & Co Chartered Accountants LLP, its ICAI registration number is 304026E/E-300009 (ICAI registration number before conversion was 304026E).

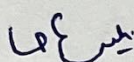


- b) Note 4 to the Statement regarding letter dated July 1, 2020 of Uttar Pradesh State Industrial Development Authority (UPSIDA) granting conditional approval of the change in Shareholding and Directors in earlier years subject to payment of proportionate transfer levy amounting to Rs. 80,900 ('000), 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. 80,900 ('000) along with interest of Rs. 5,710 ('000) under protest which was expensed off during the year ended March 31, 2021 and has contested before UPSIDA that the aforementioned other terms and conditions in respect of the lease are not applicable to the Company. As described in the said note, the Company's writ petition before the Hon'ble Allahabad High Court filed in an earlier year with respect to which a withdrawal application has been filed subsequent to the quarter end is pending disposal.
- c) Note 7 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. Further, as stated in the Note 6 to the Statement, suit before the Ld. Civil Judge (Senior Division) Amroha District Court ("Ld. Court"), instituted by the said thirty-six former employees of the Company praying for a permanent injunction on the alienation of the machinery at the Insilco factory at Gajraula, Uttar Pradesh and revocation of the Voluntary Retirement Scheme offered to the employees is pending disposal. As described in the said notes, the Company is not in a position to comment on the likely outcome of the ongoing proceedings

Pending resolution of these matters, we are unable to comment on the aggregate potential impact, if any, on the financial results in the Statement.

5. Based on our review conducted as above, except for the indeterminate effects of the matters stated in paragraph 4 above, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

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



Charan S. Gupta
Partner
Membership Number: 093044

UDIN: 22093044AOXNHR3811
Gurugram
August 12, 2022

Statement of Standalone Unaudited Financial Results for the quarter ended June 30, 2022

Sr. No.	Particulars	(INR in lakhs)			
		3 months ended (30/06/2022)	Previous 3 months ended (31/03/2022)	Corresponding 3 months ended in the previous year (30/06/2021)	Previous year ended (31/3/2022)
		Unaudited	Audited**	Unaudited	Audited
	(Refer notes below)				
1	Income				
	(a) Revenue from operations	-	-	-	-
	(b) Other income (Refer note 5)	85	71	32	176
	Total income	85	71	32	176
2	Expenses				
	(a) Cost of materials consumed	-	-	-	-
	(b) Changes in inventories of work-in-progress and finished goods	-	-	-	-
	(c) Employee benefits expense	54	67	111	401
	(d) Depreciation and amortization expense (Refer note 3 (c))	*	1	*	2
	(e) Power and fuel expense	9	8	12	39
	(f) Other expenses (Refer note 4 & 6)	164	76	204	808
	(g) Finance costs (Refer note 4)	1	(1)	*	4
	Total expenses	228	151	327	1,254
3	(Loss) before exceptional items and tax (1 - 2)	(143)	(80)	(295)	(1,078)
4	Exceptional items	-	-	-	-
5	(Loss) before tax (3 - 4)	(143)	(80)	(295)	(1,078)
6	Tax expense				
	(a) Taxes relating to earlier years	(17)	(38)	-	(57)
	(b) Income tax for the year	21	18	-	44
	Total tax expense	4	(20)	-	(13)
7	(Loss) for the period (5 - 6)	(147)	(60)	(295)	(1,065)
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	-	-	-	-
	(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	-	-	-	-
9	Total comprehensive (loss)/income for the period (7 + 8)	(147)	(60)	(295)	(1,065)
10	Paid-up equity share capital (face value of the share Rs 10/- each)	6,272	6,272	6,272	6,272
11	Earnings per share (of Rs 10/- each) (not annualised)				
	(a) Basic	(0.23)	(0.10)	(0.47)	(1.70)
	(b) Diluted	(0.23)	(0.10)	(0.47)	(1.70)
	See accompanying notes to the financial results				

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

** Refer Note 11 below



Notes to the financial results:

1 This statement has been prepared in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and other recognised accounting practices and policies to the extent applicable. These financial results for the quarter ended June 30, 2022 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, 2022 and the financial results for the quarter ended June 30, 2022 and June 30, 2021 have not been prepared on a going concern.

B) Voluntary Liquidation process:

(i) The Board had decided to initiate the Voluntary Liquidation Process as envisaged under the provisions of the Insolvency & Bankruptcy Code, 2016 ("Code"). In this regard, the Board granted its in-principle approval for 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 voluntary liquidation process of the Company in accordance with the provisions of Section 59 of the Code and appoint an Insolvency Professional duly registered with the Insolvency and Bankruptcy Board of India as the Liquidator to conduct the liquidation process. The decision of the Board was also followed by similar resolutions being approved by the shareholders of the Company in the Extra-Ordinary General Meeting held on June 25, 2021 in accordance with Section 59(3)(c)(i) of the Code. Furthermore, the said resolutions have also been approved by the Creditors representing two-thirds in value of the debt of the Company as required under the Section 59(3) of the Code on June 29, 2021.

Accordingly, with effect from June 25, 2021, the Company is under Voluntary Liquidation Process and Mr. Chandra Prakash (having registration no. IBBI/IPA-002/IP-N00660/2018-2019/12023) has 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").

(ii) Upon his 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 August 12, 2022 is as under:

Particulars	INR in Lakhs	
	Claims Received	Outstanding as on August 12, 2022*
Employees and workman	87.92	37.18
Operational creditors	55.74	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 2021. Out of the admitted claims of INR 86.90 lakhs, claims of INR 49.72 lakhs have been settled and balance claims of INR 37.18 lakhs are outstanding as on August 12, 2022.

(iii) 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 expected to carry out their own comprehensive due diligence in respect of the assets of Company and are deemed to have full knowledge of the title, conditions etc. of the assets of the Company.

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 was required to pay the entire amount as an advance towards the sale consideration (on or prior to April 30, 2022) and as on April 28, 2022 the entire balance amount has been received by the Company. Accordingly, the transfer processes with UPSIDA and execution of definitive documents for transfer of the assets has been initiated. The sale will be recognised in books at the time of transfer of assets and issuance of confirmation of sale by the Liquidator. As per the LOI the buyer was required to complete the transfer processes with UPSIDA and execute definitive documents on or before June 30, 2022. The buyer in this regard, vide e-mail dated June 30, 2022 had sought an extension to procure the requisite approvals from UPSIDA by a period of 2 (Two) months from June 30, 2022. The Liquidator vide e-mail dated August 04, 2022 has granted an additional time till 30 September 2022 to complete the process (including obtaining requisite approvals from UPSIDA) for transfer of land at Gajraula in accordance with the terms of the Process Document and the LOI.

b) A successful bidder for Non-Agricultural Freehold land admeasuring approx. 2,083 sq. yds., Mehsana, Gujarat was declared with a financial proposal of INR 38.50 Lakhs (Reserve Price being INR 16.50 Lakhs). Accordingly, as per the terms of the Process Document, a LOI was issued by the Liquidator to the successful bidder. The successful bidder was required to pay balance amount of INR 34.50 Lakhs (INR 4 Lakh received by way of Earnest Money Deposit) by January 05, 2022 (i.e. within 30 days of LOI execution). The bidder failed to provide the purchase consideration on the due date. Due to failure on the part of the H1 Bidder in making payment of the purchase consideration despite various extensions granted by the Liquidator, the bid submitted by H1 Bidder was cancelled by the Liquidator. The H1 Bidder had responded with a legal notice through his lawyer requiring refund of EMD and payment of interest on the EMD amount and such Legal notice has been appropriately responded to. Subsequently, on May 18, 2022 both the parties have signed a settlement letter and Rs. 400 ('000) has been duly refunded back to the bidder.



Subsequent to the cancellation of the bid submitted by the H1 Bidder, on 17 March 2022 the Liquidator approached the second highest bidder ("H2 Bidder"), that had submitted a bid for INR 37.50 Lakhs, to seek its confirmation if it wants to continue with the bid submitted by it in the Auction. Since the Liquidator did not receive confirmation from the H2 Bidder within the prescribed timeline (as per the requirements of email dated 17 March 2022), it was deemed that H2 Bidder is not interested in purchase of Mehsana Land and has recused itself from the bid process for the purchase of Mehsana Land.

Subsequently, the Liquidator approached the third highest bidder ("H3 Bidder"), that had submitted a bid for INR 33 Lakhs, to seek its confirmation if it wants to continue with the bid submitted by it in the Auction for purchase of Mehsana Land. The H3 Bidder proposed a counteroffer of INR 23 Lakhs ("Offer Price") for Mehsana Land, which was lower than the bid submitted by the H3 Bidder in the Auction (INR 33 Lakhs, however higher than the Reserve Price (of INR 16.50 Lakhs) and higher than the bids submitted by other bidders ranking lower to the H3 Bidder (H4 Bidder's bid is for INR 19.50 Lakhs).

The Liquidator accordingly initiated the sale process with the H3 Bidder for the Mehsana Land by way of private sale at the counteroffer of INR 23 Lakhs. On May 13, 2022, the Liquidator has received the entire sale consideration of INR 23 Lakhs, in advance, from the H3 bidder. The transfer processes and execution of definitive documents for transfer of the assets has been completed during the quarter and the sales has been recognised in the books. Net gain on disposal of the said investment property classified as held for sale amounting to INR 22 lakhs is recognised in other income during the quarter.

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, the Liquidator held an Annual Contributories Meeting of Insilco Limited (Under Voluntary Liquidation) pursuant to Regulation 37(2)(a) of the Insolvency and Bankruptcy Board of India (Voluntary Liquidation Process), Regulations, 2017, on 11th July, 2022 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 at 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) and 4).

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	(INR in lakhs)			
	3 months ended (30/06/2022)	Previous 3 months ended (31/03/2022)	Corresponding 3 months ended in the previous year (30/06/2021)	Previous year ended (31/3/2022)
	Unaudited	Audited (Refer Note 11)	Unaudited	Audited
Loss allowance	25	30	28	106

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

f) As at June 30, 2022, the Company is committed to dispose-off the assets and in view of LOIs to the successful bidders, as explained in note 3(b) above, the Company expects to recover the carrying value principally through a highly probable sale transaction within one year. Accordingly, in accordance with Ind AS 105, "Non-current Assets Held for Sale and Discontinued Operations", certain non-current assets aggregating to INR 615 Lakhs have been classified as 'Held for Sale' as at June 30, 2022. Liabilities directly associated with assets classified as held for sale amounts to INR 1 Lakh which is in relation to lease liability for leasehold land.

Particulars	INR in Lakhs	
	As at 30.06.22	As at 31.03.22
a) Disposal group of assets:		
Property, plant and equipment	367	367
Buildings	99	99
Right of use asset (lease hold land)	116	116
Inventory	18	18
Other assets	15	71
	615	671
b) Investment property (Refer Note 3(B))	-	1
Total	615	672

Non-current assets classified as held for sale are measured at the lower of their carrying value and fair value less costs to sell. Further, as per the LOI, completion of sale of Disposal Group of assets is subject to execution of definitive documents upon receipt of UPSIDA approval for transfer of the leasehold.

(iii) Future course of action, during the voluntary liquidation process, being adopted for realisation of the Company's assets and settlement of its liabilities, might affect the classification and measurement of carrying values of assets and liabilities of the Company. Further adjustment, if any, will be made upon finalization of future course of action for realization of the Company's assets and settlement of its liabilities.

With respect to these matters mentioned in note 3(A),(B),(C), the Statutory Auditors qualified their audit reports for the year ended March 31, 2022 and review reports for the quarter ended June 30, 2022 and June 30, 2021.



4 During the Financial Year 2018-19, responding to the Company's application to District Magistrate for issue of no objection certificate ("NOC") for its proposed LPG project at Gajraula, Uttar Pradesh, the Uttar Pradesh State Industrial Development Authority ("UPSIDA", earlier UPSIDC) had asked the Company to submit its approved building maps and certain information relating to change in shareholding of the Company / its promoters since execution of the agreement with UPSIDA in the year 1989. Accordingly, on April 25, 2019 the Company had sent a letter to UPSIDA 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 had submitted relevant documents and clarifications to UPSIDA in this regard. The Company had further submitted a request letter to UPSIDA to withdraw the letter dated July 18, 2019 and not to levy any transfer fee on the Company.

The Company had, 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, and a further revision of lease rent to INR 13.64 lakhs per annum during the next 30 years. UPSIDA had also sought an approved building plan regarding the Company's application for granting the NOC 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 had, 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 had also requested UPSIDA to give an opportunity to present the case in person before the concerned UPSIDA officials once the pandemic situation has been brought under control.

In response to the Company's letter dated July 8, 2020, UPSIDA sent a letter dated July 24, 2020 to the Company and partially replied to the queries of the Company. In response to the UPSIDA letter, the Company had submitted a letter dated August 31, 2020 and mentioned that the Offer Letter is clearly incomplete as it does not provide any rationale/ reasoning for the additional levies imposed. The Company had further mentioned in its response that the conditions levied in UPSIDA offer letter are absolutely ill-founded, without any basis and not at all applicable under present circumstances. The Company had requested UPSIDA to cancel the imposition of Transfer Levy on the Company.

On December 24, 2020, the Company had deposited a sum of INR 866 lakhs (including interest of INR 57 lakhs) to UPSIDA under protest which had been expensed off in the books of accounts during the year ended March 31, 2021 under the note 6 "Other Expenses" as "Transfer Levy" to the extent of INR 809 lakhs and under "Finance costs" as interest on Transfer Levy to the extent of INR 57 lakh towards Transfer Levy and interest respectively. The Company vide letter dated December 24, 2020 intimated UPSIDA regarding payment of Transfer Levy under protest and again reiterated that while the Transfer Levy and any interest on the said amount are not payable, however, as a law-abiding organization, the Company had decided to remit the Transfer Levy and the interest amount 'Under Protest' and without prejudice to the Company's right under applicable laws and contract with UPSIDA. Further, the Company reserved its right to initiate appropriate steps for seeking and obtaining refund of all amounts from UPSIDA.

The Company in the said letter reiterated its position and mentioned that there is no alteration of legal and factual position of tenancy of the Company with UPSIDA and hence, the new lease deed is not required to be executed by the Company in terms of aforementioned UPSIDA's letter dated July 1, 2020 and that the conditions levied in UPSIDA offer letter are absolutely ill-founded, without any basis and not at all applicable under present circumstances.

During the year that ended March 31, 2021, the Company has preferred a Writ Petition against UPSIDA titled "Insico Limited v. State of U.P and Anr." being Writ Petition No. 9669 of 2021, before the Hon'ble High Court of Allahabad ("Hon'ble High Court") for quashing/ setting aside the impugned letters dated July 1, 2020, July 24, 2020 and December 22, 2020 issued by UPSIDA, ("Writ Petition") through which UPSIDA has imposed the various conditions on the Company with respect to Transfer Levy, Maintenance Charges, Increase in lease rent, execution of a fresh lease deed which will entail additional liability towards stamp duty & registration charges on the Company, revision of lease rent and restriction on the Company from transferring controlling interest for a period of 5 (Five) years from July 1, 2020. The Writ Petition was pending disposal.

The Company's legal counsels has advised that the Company has a good case, however, they are not in a position to comment on the likely outcome of the proceedings currently pending before the Hon'ble High Court, since the matter is sub-judice. The matter last came up for hearing on November 15, 2021 before the Hon'ble High Court. UPSIDA was yet to file its response to the said writ petition. The matter was adjourned, and no next date of hearing was notified by the Hon'ble High Court.

The transfer of the leasehold rights of the Company to the successful bidder (identified in the auction process conducted for the transfer of assets of the Company in the voluntary liquidation process) is subject to a no-objection certificate from UPSIDA. The Company has vide its letter dated May 24, 2022 sought such NOC from UPSIDA, to which UPSIDA has responded stating that UPSIDA will not be able to issue the NOC for transfer of the leasehold interest of the Company during the pendency of the Writ Petition.

Since there is no visibility on the timeline for disposal of the Writ Petition, the Company has taken the decision to withdraw the writ petition so that the sale process may proceed. Accordingly, the Company is in the process of withdrawing the said writ petition for obtaining the requisite NOC from UPSIDA for the transfer of its leasehold rights. In light of the same, subsequent to the quarter end the Company has filed the application for withdrawal of the said writ petition before Hon'ble High Court, which is pending disposal.

Further adjustments, if any, will be made upon final resolution of the matter. With respect to this matter, the Statutory Auditors qualified their audit reports for the year ended March 31, 2022 and review reports on the results for the quarters ended June 30, 2022 and June 30, 2021.

5 Other income for the current and previous periods includes:

Particulars	(INR in lakhs)			
	3 months ended (30/06/2022)	Previous 3 months ended (31/03/2022)	Corresponding 3 months ended in the previous year (30/06/2021)	Previous year ended (31/3/2022)
	Unaudited	Audited (Refer Note 11)	Unaudited	Audited
Interest income on financial assets measured at amortised cost	62	69	23	162
Sale of Raw material, stores and spares	-	-	1	1
Net gain on disposal of property, plant and equipment	1	2	-	4
Net gain on disposal of investment property classified as held for sale [Refer Note 3(B)]	22	-	-	-
Miscellaneous income	-	-	8	9
Other Income	85	71	32	176

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



6 Other expenses for the current and previous periods includes:

Particulars	(INR In lakhs)			
	3 months ended (30/06/2022)	Previous 3 months ended (31/03/2022)	Corresponding 3 months ended in the previous year (30/06/2021)	Previous year ended (31/3/2022)
	Unaudited	Audited (Refer Note 11)	Unaudited	Audited
Consumption of stores and spare parts	-	-	-	1
Loss allowance [Refer Note 3(C)]	25	30	28	106
Information technology expenses	-	17	13	54
Maintenance charges	-	-	5	5
Insurance	2	4	14	39
Legal and professional expenses	79	(12)	60	359
Rates & Taxes	10	(3)	39	50
Waste disposal expenses	1	2	4	35
Travelling and conveyance	1	-	-	1
Security expenses	20	18	18	74
Premises Upkeep	6	6	5	23
Directors Sitting Fee	3	4	4	13
Recruitment, Training and Relocation expense	1	-	-	-
Miscellaneous Expenses	16	10	14	48
Other Expenses	164	76	204	808

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

7 A. The Company is in receipt of a communication dated July 7, 2021 from the office of Deputy Labour Commissioner/ Assistant Labour Commissioner ("DLC/ALC") Moradabad signed by the ALC, on July 14, 2021 and July 16, 2021 issued under the provisions of the UP Industrial Disputes Act, 1947 and UP Industrial Dispute Rules, 1957. We understand that 37 (Thirty-Seven) ex-employees of Company had filed applications before the office of the DLC /ALC seeking their reinstatement in the Company along with certain other reliefs from the Company. The ex-employees in their applications before the office of the DLC/ALC have alleged that their services were illegally terminated by paying the voluntary retirement scheme ("VRS") and that the VRS was not specifically asked for by the employees. The nature of the complaints made by, and the reliefs sought by, all employees are similar. On behalf of the official liquidator (representing the Company), the local counsel, Mr. Anil Sharma had appeared before the ALC. It may be noted that out of the 37 (thirty-seven) employees, one employee had withdrawn his complaint. It may be further noted that the Company sent its written submissions to the ALC via registered post on November 1, 2021. The local counsel has informed that these written submissions were officially taken on record in the hearing that took place on March 15, 2022. The submissions that the Company had filed, brought on record the facts of the case and the lack of merits in the complaints. The local counsel has informed us that the proceedings before the ALC have now concluded as failed. In this regard, the local counsel has provided the Company with a noting dated March 18, 2022, issued by the ALC ("Noting") and the copy of the certified order dated March 18, 2022, passed in the conciliation proceedings, which is in Hindi language, and he has confirmed that the Noting records that the conciliation proceedings have concluded as failed.

The matter is now pending for further adjudication before the DLC (as informed by the local counsel), who is authorized to decide whether a reference should be made to the Labour Court for further adjudication.

B. A suit numbered O.S. No. 449 of 2021 had been registered on September 13, 2021 ("Suit") before the Ld. Civil Judge (Senior Division) Amroha District Court ("Ld. Court"), instituted by 36 (thirty-six) former employees of the Company praying for a permanent injunction on the alienation of the machinery at the Insilco factory at Gajraula, Uttar Pradesh and revocation of the VRS offered to the employees. The suit has been registered by the Ld. Court and the Company had been directed to file its written statement in the suit vide order dated September 13, 2021.

Vide order of the same date, the Ld. Court refused to grant ex parte ad interim injunction in favour of the Plaintiffs on the ground that it is an employer-employee dispute and it would not be appropriate to grant such relief without hearing the Company. Accordingly, notice was issued to the Company in respect of the application.

Vide order of the same date, the Ld. Court appointed Court Commissioners to compile a report on and prepare a map of the factory of the Company to clarify the position relating to the machinery. The duly appointed Court Commissioners visited the premises of the factory of the Company on October 7, 2021. They are yet to file their report with the Ld. Court.

The Company has, through its Local Advocate, filed a Written Statement to the suit, reply to the Application for temporary injunction and other miscellaneous applications under Order VII Rule 11 read with Section 151 of the Code of Civil Procedure ("CPC") for rejection of the plaint owing to lack of cause of action against the Company and under Order I Rule 10 read with Section 151 of the CPC for substitution of the Defendant i.e. Manager, M/s Insilco Ltd with "The Liquidator, M/s Insilco Ltd" and also deletion of certain Defendants.

The Court Commissioners filed their report with the Ld. Court on April 11, 2022, which stated that the summons was duly served on the representatives of the Company present at the factory in Gajraula, but they were informed that the factory was not operational since October 26, 2019 due to the orders of the Uttar Pradesh Pollution Control Board. The report also notes that there is no evidence of any tampering with the machinery at the factory, while making a note of the general area of the factory and its surroundings.

In addition, the Plaintiffs in the Suit have filed a replication (response) to the Written Statement filed by the Company, as well as replies to the applications filed by the Company. The matter is presently sub-judice before the Ld. Civil Judge (Senior Division) Amroha District Court, and the next hearing is scheduled for August 27, 2022. While the application for injunction has been filed, the same is currently pending adjudication, and no orders have been passed till date.

As these matters are sub-judice, the Company is not in a position to comment on the possible outcome of these matters. With respect to these matters, the Statutory Auditors have qualified their audit report for the year ended March 31, 2022 and review reports on the results for the quarters ended June 30, 2022 and June 30, 2021.

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

9 The Company Secretary of the Company, Mrs. Swati Surhatia, resigned w.e.f. close of working hours of March 31, 2022 and the vacancy caused due to her resignation has been filled by Mrs. Geetika Varshney. Mrs. Geetika Varshney has been appointed as Company Secretary and Compliance Officer w.e.f. 1st April 2022, as approved by Board of Directors in their Board Meeting held on 31st March, 2022.

10 Due to COVID-19 pandemic there is no major impact on the business of the Company as the plant operations had already been suspended since October 26, 2019 due to refusal of Consent to Operate by UP Pollution Control Board (UPPCB). The Company does not have any outstanding debt or other financing agreements. The Company has adequate digitized systems which ensured smooth internal financial reporting and control in this situation.



- 11 The Figures for the quarter ended March 31, 2022 are the balancing figures between audited figures in respect of full financial year ended March 31, 2022 and the published unaudited year to date figures for the nine months period ended December 31, 2021.
- 12 Previous year/period figures have been regrouped, wherever necessary.
- 13 This statement has been reviewed by the Audit Committee and approved by the Board of Directors and Liquidator in their meeting held on August 12, 2022.

For Insilco Limited
(Under voluntary liquidation wef 25.06.2021)



Parem Narayanan Vinod
Managing Director
DIN : 08803466

Place: Mumbai



Chandra Prakash
Liquidator of Insilco Limited
[Registration no. IBBI/IPA-002/IP-N00660/
2018-2019/12023]

Place: New Delhi

Date: August 12, 2022

