INDOSOLAR LIMITED
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STATEMENT OF STANDALONE AUDITED RESULTS FOR THE QUARTER AND YEAR ENDED 30 SEPTEMBER 2015

(Rs. in Lakhs)

Sl. No.	Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Year to date figure for current period ended	Year to date figure for the previous period ended	Year ended
		30.09.2015	30.06.2015	30.09.2014	30.09.2015	30.09.2014	31.03.2015
		Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Audited
	Part I						
1	**Income from operations**						
a	Net sales/income from operations (net of excise duty)	2,721.34	5,114.38	4,024.13	7,835.72	4,395.94	29,193.27
b	Other operating income	35.09	3.90	2.41	38.99	2.41	404.01
	Total income from operations (net)	**2,756.43**	**5,118.28**	**4,026.54**	**7,874.71**	**4,398.35**	**29,597.28**
2	**Expenses:**						
a	Cost of materials consumed	1,691.12	3,588.24	2,876.98	5,279.36	2,873.11	18,542.47
b	Purchase of stock in trade	48.93	84.26	118.21	133.19	301.29	326.01
c	Changes in inventories of finished goods, work-in-progress and stock in trade	505.47	(776.24)	(568.96)	(270.77)	(455.64)	986.11
d	Employee benefits expense (Refer note 9)	316.62	342.83	213.20	659.45	305.29	1,038.53
e	Depreciation and amortisation expense	648.96	655.38	778.99	1,304.34	1,602.39	2,698.34
f	Power and fuel	302.60	395.77	620.84	698.37	673.78	1,706.67
g	Foreign exchange loss (net)	70.37	0.64	(148.07)	71.01	(126.83)	-
h	Other expenses (Refer note 5)	488.88	739.93	670.72	1,228.81	779.42	2,224.89
	Total expenses	**4,072.95**	**5,030.81**	**4,561.91**	**9,103.76**	**5,952.81**	**27,523.02**
3	**Profit/(loss) from operations before other income, finance cost (1-2)**	**(1,316.52)**	**87.47**	**(535.37)**	**(1,229.05)**	**(1,554.46)**	**2,074.26**
4	Other income	25.32	20.85	5.75	46.17	69.08	392.16
5	**Profit/(loss) from ordinary activities before finance costs (3+4)**	**(1,291.20)**	**108.32**	**(529.62)**	**(1,182.88)**	**(1,485.38)**	**2,466.42**
6	Finance costs (Refer note 5 and 10)	3,526.50	2,609.39	3,189.44	6,135.89	5,360.20	10,283.43
7	**Profit/(loss) from ordinary activities before tax (5-6)**	**(4,817.70)**	**(2,501.07)**	**(3,719.06)**	**(7,318.77)**	**(6,845.58)**	**(7,817.01)**
8	Tax expenses	-	-	-			-
9	**Profit/(loss) after taxes (8-9)**	**(4,817.70)**	**(2,501.07)**	**(3,719.06)**	**(7,318.77)**	**(6,845.58)**	**(7,817.01)**
10	Paid up equity share capital (Face value-Rs.10 each)	35,813.00	35,813.00	33,514.40	35,813.00	33,514.40	35,813.00
11	Reserves (excluding revaluation reserve, if any)	-	-	-	-	-	(46,464.57)
12	Earning per share (before extraordinary item) (in Rs.) **(not**						
	Basic	(1.35)	(0.70)	(1.11)	(2.04)	(2.04)	(2.26)
	Diluted	(1.35)	(0.70)	(1.11)	(2.04)	(2.04)	(2.26)
	Part II						
A	**Particulars of Shareholding**						
1	Public shareholding						
	- Number of shares	155,289,030	155,289,030	153,144,030	155,289,030	153,144,030	155,289,030
	- Percentage of shareholding	43.36%	43.36%	45.70%	43.36%	45.70%	43.36%
2	Promoters and promoter group shareholding						
	a) Pledged/ encumbered						
	- Number of shares	136,885,495	136,885,495	136,885,495	136,885,495	136,885,495	136,885,495
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	67.48%	67.48%	75.21%	67.48%	75.21%	67.48%
	- Percentage of shares (as a % of the total share capital of the	38.22%	38.22%	40.84%	38.22%	40.84%	38.22%
	b) Non encumbered						
	- Number of shares	65,955,475	65,955,475	45,114,502	65,955,475	45,114,502	65,955,475
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	32.52%	32.52%	24.79%	32.52%	24.79%	32.52%
	- Percentage of shares (as a % of the total share capital of the company)	18.42%	18.42%	13.46%	18.42%	13.46%	18.42%

	Particulars	Quarter ended 30.09.15
B	**Investor Complaints**	
	Pending at the beginning of the quarter	-
	Received during the quarter	-
	Disposed off during the quarter	-
	Remaining unresolved at the end of the quarter	-

Date:03 November 2015
Place:New Delhi

For and on behalf of the Board of Directors
Indosolar Limited

INDOSOLAR LIMITED

Managing Director

1 **Standalone Statement of Assets and Liabilities**

Particulars	Unaudited	Audited
	As at 30 September 2015	As at 31 March 2015
		(Rs. in Lakhs)
A Equity and Liabilities		
1 Shareholders' funds		
(a) Share capital	36,763.00	36,763.00
(b) Reserves and surplus	(53,783.34)	(46,464.57)
Sub-total - Shareholders' funds	**(17,020.34)**	**(9,701.57)**
2 Non-current liabilities		
(a) Long-term borrowings	54,734.59	59,776.34
(b) Other long-term liabilities	-	-
(c) Long-term provisions	25.57	25.57
Sub-total - Non-current liabilities	**54,760.16**	**59,801.91**
3 Current liabilities		
(a) Short-term borrowings	8,853.66	8,739.12
(b) Trade payables	2,935.68	1,131.02
(c) Other current liabilities (refer note 10)	62,657.75	52,495.53
(d) Short-term provisions	12.23	12.24
Sub-total - Current liabilities	**74,459.32**	**62,377.91**
Total - Equity and liabilities	**112,199.14**	**112,478.25**
B Assets		
1 Non-current assets		
(a) Fixed assets (refer note 8)	105,063.52	104,416.03
(b) Long-term loans and advances	933.00	943.17
(c) Other non-current assets	150.03	205.41
Sub-total - Non-current assets	**106,146.55**	**105,564.61**
2 Current assets		
(a) Inventories	2,298.49	2,223.70
(b) Trade receivables (refer note 4)	526.99	156.54
(c) Cash and cash equivalents	1,283.56	2,450.88
(d) Short-term loans and advances (refer note 4)	1,880.54	2,029.92
(e) Other current assets	63.01	52.60
Sub-total - Current assets	**6,052.59**	**6,913.64**
Total - Assets	**112,199.14**	**112,478.25**

2 The Company has continued to incurr losses in the current quarter and year todate 30 September 2015 resulting in further erosion of its net worth which had already been fully eroded as at 31 March 2014. Accordingly the company has, during the previous year, made reference to BIFR (Board of Industrial and Financial Reconstruction) on 26 November 2014 in accordance with the requirements of Sick Industrial Companies Act, 1985.

On an overall basis as on 30 September 2015, the short term liabilities exceed the short term assets by Rs 68,406.76 lakhs, including an amount of INR 48,840.33 lakhs, became payable as per the terms of the first Corporate Debt Restructuring package and further an amount of INR 4,278.09 lakhs will become repayable by 31 March 2016. The above includes, outstanding foreign currency liabilities for purchase of raw material and capital goods aggregating to Rs. 3,222.77 lakhs which are outstanding for a period of more than 3 years as at 30 September 2015. Due to continued liquidity issues, the Company had approached the bankers for a second Corporate Debt Restructuring Package and the same is under active consideration with all consortium member banks.

3 The Solar industry has witnessed turmoil owing to significant downturn in the global market due to structural over supply situation. However, the domestic market as a result of several government initiatives to enhance solar power capacity in India has been showing an upturn off late. The Company which had not been able to utilize its capacity for significant part of last three years, during the previous year, the Company had recommenced the commercial production from the month of August 2014 for supply of certain orders which has resulted in significant capacity utilization upto the middle of May 2015. Further, during the quarter end the Company has won further order of approximately 50 MW, as a result of which the plant has recommenced commercial production between 3 August 2015 and middle of September 2015 and expects to operate at almost full capacity till December 2015.

During the previous year, there have been some key policy announcements in the guidelines issued under the 'Jawaharlal Nehru National Solar Mission (JNNSM), Phase-II, Batch-I' that provided for bidding with domestic content requirement (both PV/ thin film based cells and modules must be manufactured in India). Certain Public Sector Units (PSU) have also announced solar installation plans with domestic content requirement. The guidelines issued under JNNSM provide that such projects shall be incentivised by way of 'Viability Gap Funding' and the extent of funding shall be determined basis the project cost of setting up of such projects. The impact of these policy decisions in terms of pricing and orders placed on the Company shall be known only in the next few quarters.

The Company's claim to its being eligible for certain capital incentives has been ordered in favour of the Company by the Honorable Delhi High Court directing the concerned authorities to recalculate the threshhold limit within four weeks from the date of the order (i.e. 3 July 2015) and to release the incentive to the Company. In the abcense of timely response, subsequent to the current quarter, the Company has filled contempt petition in Honourable High Court of Delhi to direct the concerned authorities for the implementation of the order (No. 3625/ 2013) issued by honourable High court of Delhi on 3 July 2015. The entitlement of the capital incentive will be known upon conclusion of eligibility test which is currently under consideration with the concerned authorities.

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Considering the domestic content requirements as put out in the guidelines and other expression of interests issued by certain PSUs, procurement of recent orders and resumption of production in the previous quarters, a techno economic viability conducted by an external expert which forms the basis of the application for seeking a second Corporate Debt Restructuring package and favorable decision of the Honorable Delhi High court in relation to the Company eligibility for certain capital incentive, management believes that there is no impairment in respect of the carrying value of its fixed assets including capital work in progress as at 30 September 2015 and that it is appropriate to prepare the accounts on a going concern basis.

4 The Company had been awarded a turnkey contract by MP Urja Vikas Nigam Limited (MP Urja) for setting up of 3MW (in aggregate) SPV Power Plants

In accordance with the stipulated terms of the contract, the Company has deposited earnest money deposit (EMD) amounting to Rs. 60.10 lakhs. Out of the total contract, work orders aggregating to 1.6 MW amounting to Rs. 2,914.13 lakhs was raised on the Company that was required to be executed till 30 June 2013. The Company has raised the bills for having completed 0.1 MW (5 sites) until 31 March 2014 and the dues outstanding in relation to the executed portion amounts to Rs. 177.23 lakhs. The Company had also filed an application seeking extension with MP Urja for completion of the unexecuted work. During the previous year, the Company had received a final notice from MP Urja rejecting the extension plea and deciding to cancel the work order (other than the 3 sites considered completed by MP Urja) given to the Company alongwith the forfeiture of EMD and imposition of penalty due to the non compliance by the Company.

The Company is contesting the MP Urja claims citing logistical issues, delay in handing over the sites and delays in issuing site completion reports by MP Urja and has requested to recall the notice for cancellation of work orders and has further requested to allow the Company to complete the pending work allocated. The response of MP Urja is still waited. However, the management is under final negotiation with the department and hope the matter will be resolved within this current financial year and outstanding amount will be realised after adjusting some amount of penalties which is not yet ascertained. As a consequence, the impact of the loss or damage due to the action that MP Urja may take and the outcome of the final notice issued, that may include forfeiture of EMD, adjusting the dues against any loss or damage and levy of penalty, in the light of the Company expressing its inability to complete the order within the stipulated time period, is uncertain and the same shall crystallise only on the conclusion of discussion and the actions that the authorities may take against the Company.

5 Prior period adjustment

a. The results for the quarter ended 30 June 2015 includes legal and professional expense amounting to Rs. 90 lakhs pertaining to the period from 1 October 2014 to 31 March 2015.

b. The results for the quarter ended 30 September 2014 includes prior period interest on long term borrowings amounting 314.23 lacs pertaining to the year ended 31 March 2014 and Rs.303.66 pertaining to the quarter ended 30 June 2014.

6 The Company has incurred expenses in foreign currency (including amortisation of imported machinery) amounting to Rs. 121,996.17 lakhs till 30 September 2015. Such machinery and raw material have been imported without payment of customs duty, being an Export Oriented Unit, on the basis of an undertaking given to customs authorities that the Company shall be able to earn a positive Net Foreign Exchange within ten years from the commencement of its operation (i.e. 16 July 2009). At current quarter end, the Company's earnings is negative Net Foreign Exchange Earnings of Rs. 4,808.72 lakhs.

During the previous year on 20 February 2015 the company has filed an appeal before the relevant authorities to consider the DTA sale of 3,864.89 lacs made in the earlier years to consider as eligible sale for the calculation of NFE under para 6.9 (f) of Foreign trade Policy ('FTP') in place of para 6.8 of FTP.

Further it has been noticed that i) while submitting the APR of 2011-12 and APR 2012-13 the company has erroneously considered the domestic purchase of Rs. 331.07 lacs as imported purchase resulting thereby the higher forex outflow ii) While submitting the APR of 2009-10 the company has considered full year amortization of Capital expenditure instead of calculating the same from the date of start of commercial production this has resulted in higher amortisation of Rs.1,409.07 was being considered as outflow of forex in that year. If the above appeal is accepted by the department, and the impact of above reffered corrections being recognized by the department, then till 30 September 2015, NFE would be positive by Rs.796.31 lacs.

As explained in note 2 above, the ability of the Company to meet its export obligations over the remaining period is dependent on various factors which have created multiple uncertainties, the effect of which , is not ascertainable at present.

7 The Company has only one single primary business segment viz manufacture and sale of Photovoltaic Solar cells. Therefore, the disclosure requirements of Accounting Standard - 17 "Segment Reporting" prescribed by Companies (Accounting Standard) Rules, 2006 are not applicable.

8 The solar cell manufacturing line includes a process called Light Induced Plating (LIP) currently not utilized fully to conserve the cost of operation. Our technology partner is upgrading the process technology which shall enable full utilization of LIP giving better solar cell efficiency at lower cost. The original cost of these equipments was Rs. 4,492.67 lakhs and present WDV as on 30 September 2015 is Rs. 3,019.51 lakhs. In view of the plans to utilize the machinery in the near future post the development of the necessary technology, the management considers it appropriate that there is no impairment in respect of the said asset.

9 During the current quarter, the company has accrued/ paid managerial remuneration of Rs 50.59 lakhs and year to date Rs.265.63 lacs (previous quarter 67.20 lacs and year to date Rs. 215.04 lakhs) which is in excess of the limits prescribed under schedule V read with section 197 of the Companies Act, 2013.The Company has filed application to Central government for the approval of the same. However, response of the Central Government is still awaited in this regard. Management is expecting the approval in due course and the remuneration so paid has been charged under the head employees benefit expenses. During the previous quarter and financials year ended 31 March 2015, the amounts disclosed (Rs. 33.93 lakhs and Rs. 97 lakhs respectively) under this note were errorneously considered net of TDS (Rs. 18.87 lakhs for June 2015 and Rs. 36.20 lakhs for March 2015) and provident fund contribution (Rs. 14.40 lakhs for June 2015 and 15.84 lakhs for March 2015).

10 Pending approval of CDR package II, the interest on borrowing has been accrued at the rates negotiated as part of CDR package I. However, actual interest may varies upon approval of CDR Package II.

11 The above results were reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on 03 November 2015. The same has been filed with the stock exchange and is available on the website of the Company.

Date:03 November 2015
Place: New Delhi

Indosolar Limited

Managing Director

B S R & Co. LLP

Chartered Accountants

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Review report to the Board of Directors Indosolar Limited

1. We have reviewed the accompanying statement of un-audited financial results ('the Statement') of Indosolar Limited ('the Company') for the quarter and six months ended 30 September 2015 attached herewith being submitted by the Company pursuant to the requirement of clause 41 of the Listing Agreement issued by the Securities and Exchange Board of India ("Listing Agreement"), except for the disclosures regarding "Public Shareholding" and "Promoter and Promoter Group Shareholding", which have been traced from disclosures made by the management and have not been reviewed by us. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors of the Company at their meeting held on 3 November 2015. Our responsibility is to issue a report on these financial results 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 financial results are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

3. Attention is invited to the following developments as explained in detail to the notes to the financial results:

   (a) The Company has continued to incur significant losses in the current quarter and year to date resulting in further erosion of its net worth which had already been fully eroded as at 31 March 2014. Further the Company has not met its liabilities (Rs. 48,840.33 lakhs) due on the first corporate debt restructuring package and (Rs. 3,222.77 lakhs) on account of purchase of materials and capital goods. The Company has therefore approached the bankers for a second corporate debt restructuring package on the basis of a technical economic viability study conducted by an external expert. (Note 2)

   (b) As per the Company, despite significant downturn in global market, as a result of several initiatives by Government of India, the domestic market has been showing an upturn of late resulting in the Company having obtained orders and recommencement of commercial production based on the current orders in hand (approx. 50 MW) and expects to operate at almost full capacity sometime till December 2015. The note also expands on certain measures taken by the Government to support domestic manufacturers in India including the domestic content requirement, viability gap funding etc. (Note 3)

   (c) The Company's claim to its being eligible for certain capital incentives is under review with the related Authorities and the outcome will be certain on final sanction letter by the authorities. (Note 3)

   (d) The dispute with MP Urja regarding the turnkey contract and the likely impact of the customers claim is uncertain. (Note 4)

B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013

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On the basis of its overall evaluation of the above factors and as per the techno-economic viability study conducted by an external expert, the Company believes that there is no impairment in respect of carrying value of its fixed assets including capital work in progress as at 30 September 2015 and it is appropriate to prepare the accounts on a going concern basis. In our view, the full erosion of net worth, inability of the Company to meet certain material liabilities and commitments, the impact of the government decisions would be known only in future, the uncertainty of outcome of claims and uncertainty regarding whether the second corporate debt restructuring package (which, as informed to us is under consideration by the bankers) would be sanctioned or not create material uncertainties. Therefore, the quantum of impairment in respect of carrying value of fixed assets cannot be determined as at present and material uncertainties exist regarding the use of going concern assumption in preparing the financial results.

4. Attention is further invited to note 9 to the financial results regarding approval of the Central Government in respect of managerial remuneration accrued/ paid by the Company amounting to Rs. 50.59 lakhs for the quarter ended 30 September 2015 and Rs. 265.63 lakhs year to date, which is in excess of the limits specified under schedule V read with section 197 of the Companies Act, 2013 which the Company has applied for and is pending as at the date of this report. Our report is not modified in respect of this matter.

5. Based on our review conducted as explained in paragraphs 1 and 2 and subject to our observations in paragraphs 3 above which highlight material uncertainties, the impact of which is currently not ascertainable including the ability of the Company to continue as a going concern read with para 4 above, nothing has come to our attention that causes us to believe that the accompanying statement of un-audited standalone financial results prepared in accordance with applicable accounting standards and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration Number: 101248W/W-100022

Pravin Tulsyan
Partner
Membership number: 108044

Place: New Delhi
Date: 3 November 2015

Quality Checks : Com
Spelling / diction / comparison
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Calculation / arithmetical accuracy/ rounding off errors
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Name and Designation Naveen Gupta
Signature and Date 3 Nov 2015
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