

LET'S GO
SOLAR



11th
Annual
Report
2015-2016

INDOSOLAR

INDOSOLARTM
L I M I T E D

www.indosolar.co.in





Indosolar receives a National Excellence Award For Domestic Solar Cell Manufacturing

From Hon'ble Minister of State for Power, Coal, Renewable Energy - **Shri Piyush Goyal** on 7th June 2016



More than an industrial venture, Indosolar is a mission, a challenge and a commitment to making India self-reliant in clean energy

Mr. B.K. Gupta
Founder, Indosolar Limited



“

We are proud to partner with the Government towards driving the solar vision of India, in achieving its **100GW** milestone by 2022

Pranav Gupta
V.P.-Strategy & Business Development

”



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CORPORATE INFORMATION**BOARD OF DIRECTORS**

Mr. Hulas Rahul Gupta
Mr. Gautam Singh Kuthari
Mr. Vidyut Manubhai Vora
Ms. Vinati Dev

Managing Director-Promoter
Non-Executive Independent Director
Non-Executive Independent Director
Non-Executive Independent Director

STATUTORY AUDITORS

M/s B S R & Co., LLP
Chartered Accountants
Building No.-10, 8th Floor, Tower-B,
DLF Cyber City, Phase-II, Gurgaon-122002

BANKERS

Union Bank of India
Andhra Bank
Bank of Baroda
Corporation Bank
Indian Bank

REGISTERED OFFICE

C-12, Friends Colony (East), New Delhi-110065
Tel. No.: +91-11-26841375, Fax No.: +91-11-26843949
E. Mail : investors@indosolar.co.in
Website: www.indosolar.co.in

REGISTRAR AND SHARE TRANSFER AGENTS

Link Intime India Private Limited
44, Community Centre, 2nd Floor, Naraina Industrial Area,
Phase-I, Near PVR Naraina, New Delhi-110028
Tel. No.: +91-11-41410592-94, Fax No.: +91-11-41410591
E Mail: delhi@linkintime.co.in
Website: www.linkintime.co.in

CORPORATE OFFICE CUM FACTORY

3C/1, Ecotech-II, Udyog Vihar,
Greater Noida - 201306, Uttar Pradesh
Tel. No.: +91-120-4762500,
Fax No.: +91-120-4762525

CORPORATE IDENTITY NUMBER

L18101DL2005PLC134879

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NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT 11TH ANNUAL GENERAL MEETING OF SHAREHOLDERS OF INDOSOLAR LIMITED WILL BE HELD ON FRIDAY, THE 30TH DAY OF SEPTEMBER 2016 AT 9.00 A.M. AT MITHAS MOTEL & RESORT, 92/16, G.T. KARNAL ROAD, ALIPUR, DELHI – 110 036 TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

1. To receive, consider, approve and adopt the Audited Financial Statement of the Company for the Financial Year ended March 31, 2016.

“RESOLVED THAT the Audited Financial Statement of the Company including Balance Sheet as at March 31, 2016 and the Statement of Profit and Loss and the Cash Flow Statement of the Company for the financial year ended March 31, 2016 annexed with notes to the financial statement with reports of the Board of Directors (“the Board”) and Auditors thereon be and are hereby received, considered and adopted.

2. To appoint a Director in place of Mr. Hulas Rahul Gupta (DIN-00297722), who retires by rotation and being eligible, offers himself for re-appointment.

“RESOLVED THAT Mr. Hulas Rahul Gupta (DIN:00297722), who retires by rotation and being eligible offers himself for re-appointment, be and is hereby re-appointed as a Director of the Company liable to retire by rotation”

3. Ratification of Appointment of Statutory Auditors:

“RESOLVED THAT pursuant to the provisions of Sections 139 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the appointment of M/s B S R & Co. LLP, Chartered Accountants, Gurgaon (Firm Registration Number-101248W/W-100022) as Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the 12th AGM of the Company to be held in year 2017 to examine and audit the accounts of the Company at such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to Sections 141, 148 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby approves and ratifies the remuneration of INR 50,000/- (Rupees Fifty Thousand only) plus applicable taxes and out of pocket expenses payable to M/s Kabra and Associates, Cost Accountants (Firm Registration Number: 000075), appointed as Cost Auditors of the Company for the financial year 2016-17”

**By Order of the Board of Directors
For INDOSOLAR LIMITED**

**Place: Greater Noida
Date: August 08, 2016**

**MANISH GUPTA
Company Secretary**

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND, VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXIES IN ORDER TO BE VALID MUST BE DEPOSITED AT THE COMPANY’S REGISTERED OFFICE, NOT LATER THAN 48 (FORTY EIGHT) HOURS BEFORE THE COMMENCEMENT OF THE MEETING.** A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other member. Proxies submitted on behalf of limited companies, societies, etc., must be supported by appropriate resolutions/authority, as applicable.
2. The instrument appointing the proxy (enclosed hereto) in order to be effective must be deposited (duly completed, stamped and signed) at the registered office of the Company not less than forty eight (48) hours before the commencement of the meeting.
3. Member(s)/Proxies/Authorized Representatives are requested to bring the attendance slip is enclosed at the end of Annual Report duly filled and signed for attending the meeting. Member(s) who hold equity shares in electronic mode

are requested to write the Client ID and DP ID number and those who hold equity shares in physical mode are requested to write their folio number in the attendance slip.

4. Corporate Member(s) intending to send their authorized representative(s) to attend the meeting are requested to send a duly certified copy of the Board Resolution/Power of Attorney authorizing their representative(s) to attend and vote on their behalf at the meeting.
5. Pursuant to Section 72 of the Companies Act, 2013, member(s) of the Company may nominate a person in whom the shares held by him/them shall vest in the event of his/ their unfortunate death. Member(s) holding shares in physical form may file nomination in the prescribed Form SH-13 with the Company's RTA. In respect of shares held in dematerialized form, the nomination form may be filed with the respective Depository Participant.
6. In case of joint holders, only such joint holder who is named first in the order of names will be entitled to vote.
7. The route map showing directions to reach the venue of the eleventh Meeting is enclosed at the end of Annual Report.
8. The relevant details of Directors proposed to be appointed/ reappointed, as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standards-2 on General Meetings are also annexed as **Annexure-A**.
9. The relevant explanatory statement in accordance with section 102 of the Companies Act, 2013 setting out the material facts in respect of the Special Business is enclosed to the notice.
10. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Companies Act, 2013, will be available for inspection by the members at the Meeting. The Register of Contracts or Agreements in which the directors are interested, maintained under Section 189 of the Companies Act, 2013, will be available for inspection by the members at the Meeting.
11. Members desirous of seeking any information relating to the Accounts of the Company may write to the Company at 3C/1, Ecotech-II, Udyog Vihar, Gautam Budh Nagar, Greater Noida- 201306 (U.P.) for the attention of Company Secretary, at least seven days in advance of the Meeting so that requisite information can be made available at the Meeting.
12. Register of members and share transfer books of the Company will remain closed from Saturday, 24th September 2016 to Friday, 30th September 2016 (both days inclusive).
13. Member(s) holding shares in physical form are requested to notify the Company or Company's Registrar and Transfer Agent (RTA), Link Intime India Pvt. Ltd. of any change in their addresses/Bank Mandates. Member(s) holding shares in dematerialized form are requested to notify their respective Depository Participant of any change in their addresses/Bank Mandates.
14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Member(s) holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/RTA.
15. All relevant documents referred to in the Notice of the Meeting shall be open for inspection at the Registered Office of the Company during normal business hours (11.00 am to 1.00 pm) on all working days, upto the date of the meeting.
16. The voting rights of member(s) shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date i.e. Friday, September 23, 2016. A person whose name is recorded in the Register of Members or in the Register of beneficial owners maintained by the depositories as on the cut-off date, i.e. Friday, September 23, 2016 only shall be entitled to avail the facility of remote e-voting / Poll.
17. **Member(s) who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices etc. from the Company electronically.**
18. Notice of the Meeting and the Annual Report for FY 2015- 16 of the Company is being sent by electronic mode to those member(s) whose e-mail IDs are registered with the Company/Depository Participant(s) unless any member has requested for physical copy of the same. For member(s) who have not registered their e-mail IDs, physical copy of the Notice of the Meeting and the Annual Report for FY 2015-16 are being sent in the permitted mode.
19. Member(s) may also note that the Notice of the Meeting and the Annual Report for FY 2015-16 will also be available on the Company's website www.indosolar.co.in for download.
20. **Voting through electronic means**
 - i. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Reg. 44 of the Listing Regulations, the Company is pleased to provide facility to

the members to exercise their right to vote on resolutions proposed to be considered at the Meeting by electronic means and the items of business given in the Notice of Meeting may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the Meeting (“remote e-voting”) will be provided by Central Depository Services Limited (CDSL).

- ii. The facility for voting through poll shall be made available at the meeting and the member(s) attending the meeting who have not cast their vote by remote e-voting shall be entitled to cast their vote at the meeting through poll. No voting by show of hands will be allowed at the Meeting. Please note that the member may participate in the meeting even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the meeting.
- iii. The members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again. **The members who have cast their vote through both the mode, the vote cast through electronics mode shall be prevailing.**
- iv. The remote e-voting period commences at 09.00 a.m. on Tuesday, 27th September, 2016 and ends at 5:00 p.m. on Thursday, 29th September, 2016. During this period, member(s) of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of Friday, 23rd September, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- v. The process and manner for remote e-voting are as under:
 - (i) Log on to the e-voting website www.evotingindia.com during the voting period.
 - (ii) Click on “Shareholders” tab
 - (iii) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
 - (iv) Next enter the Image Verification as displayed and Click on Login.
 - (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
 - (vi) If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> • Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction v(iii).

- (vii) After entering these details appropriately, click on “SUBMIT” tab.
- (viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

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- (x) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xi) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xiv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take out print of the voting done by you by clicking on “Click here to print” option on the Voting page.
- (xvi) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporate.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xviii) Shareholders can also cast their vote using CDSL’s mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.
- (xx) Any person, who acquires shares of the Company and becomes the member of the Company after dispatch of the Notice of the meeting and holding shares as of the cut-off date i.e. Friday, September 23, 2016, may follow the same procedure as mentioned above for remote e-voting.
- (xxi) The Board of Directors of the Company has appointed Mr. Shashikant Tiwari, Partner, M/s. Chandrasekaran Associates, Practicing Company Secretaries (Membership No. ACS 28994/ Certificate of Practice No. 13050) failing him Mr. Lakhan Gupta, Partner, M/s. Chandrasekaran Associates, Practicing Company Secretaries (Membership No. ACS 36583/ Certificate of Practice No. 13725) as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- (xxii) The Chairman shall, at the meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of Polling Paper for all those members who are present at the meeting but have not cast their votes by availing the remote-voting facility.
- (xxiii) The poll process shall be conducted and a report thereon shall be prepared in accordance with Section 109 of the Companies Act, 2013 read with the relevant rules made there under. In such an event, votes cast under Poll taken together with the votes cast through remote e-voting shall be counted for the purpose of passing of resolution(s).
- (xxiv) The Scrutinizer, after scrutinizing the votes cast at the meeting (Poll) and through remote e-voting, will, not later than forty eight (48) hours of conclusion of the Meeting, make a consolidated scrutinizer’s report and submit the same to the Chairman. The Results declared alongwith the consolidated scrutinizer’s report shall be placed on the website of the Company www.indosolar.co.in and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchanges.

(xxv) Subject to receipt of sufficient votes, the resolution(s) shall be deemed to be passed at the 11th Meeting of the Company scheduled to be held on September 30, 2016.

**By Order of the Board of Directors
For INDOSOLAR LIMITED**

**Place: Greater Noida
Date: August 08, 2016**

**MANISH GUPTA
Company Secretary**

Annexure "A"

Details of Directors seeking appointment/re-appointment at the Annual General Meeting of the Company (Pursuant to Regulation 36 of the Listing Regulations and Secretarial Standards-2 on General Meetings)

Name of the Director	Mr. Hulas Rahul Gupta
Date of birth	October 24, 1959
Date of Appointment	September 25, 2009
Qualification	Bachelor of Business Administration (BBA)
Experience in Specific functional areas	He has wide experience in various industries including Lamp manufacturing industry He has also promoter of Phoenix Lamps Limited.
No. of Equity Shares held in the Company as on March 31, 2016	80,385,494
Terms & Conditions of reappointment	As per Company's Appointment and Remuneration Policy
*Remuneration last drawn during the year FY 2015-16 (Rs. in lakhs)	134.40
No. of meetings of Board attended during the year	5 Board Meetings attended during the FY 2015-16
Directorship held in other Companies as on March 31, 2016	Nil
Relationship with any other director inter-se and KMPs of the Company	Nil
No. of Indian Public Companies in which he is holding the Chairmanship and Membership	Nil

*The amount paid was recovered as per the MCA order (please refer the note no. 34(c) of the notes to the financial statement)

**By Order of the Board of Directors
For INDOSOLAR LIMITED**

**Place: Greater Noida
Date: August 08, 2016**

**MANISH GUPTA
Company Secretary**

The Explanatory Statement as required under section 102 of the Companies Act, 2013

ITEM NO. 4

The Board of Directors of the Company at their meeting held on 08 August, 2016 has, on recommendation by the Audit Committee, appointed M/s Kabra and Associates Cost Accountants (firm registration number: 000075) as the cost auditors for the financial year 2016-17 at a remuneration of INR 50,000/- (Rupees Fifty Thousand only) plus applicable taxes and out of pocket expenses. As per Section 148 of Companies Act, 2013 and applicable rules thereunder, the remuneration payable to the cost auditors is to be ratified by the members of the Company. The Board considers the remuneration payable to the cost auditors as fair and recommends the resolution contained in item no. 4 of the accompanying notice for approval of the members as an Ordinary Resolution.

None of the Directors or Key Managerial Personnel (KMP) or their relatives are concerned or interested in this item of the Notice either financial or otherwise

**By Order of the Board of Directors
For INDOSOLAR LIMITED**

**Place: Greater Noida
Date: August 08, 2016**

**MANISH GUPTA
Company Secretary**

DIRECTORS' REPORT

The Board has pleasure in presenting the Eleventh Annual Report on business and operations of the Company for the year ended 31st March 2016.

1. FINANCIAL HIGHLIGHTS

(Rs. in lakhs)

PARTICULARS	YEAR ENDED 31-03-2016	YEAR ENDED 31-03-2015
Revenue from operations (A)	25,768.11	29,597.28
Other Income (B)	215.91	392.16
Operating expenditure (C)	24,933.18	24,824.68
Earnings before interest, tax, depreciation and amortisation (EBITDA) [D=A+B-C]	1,050.84	5,164.76
Finance Cost (E)	12,520.96	10,283.43
Depreciation and amortization expense (F)	2,657.08	2,698.34
Profit / (Loss) before tax [G=D-E-F]	(14,127.20)	(7,817.01)
Provision for Taxation (incl. deferred income tax) (H)	0	0
Profit / (Loss) after tax [I=G-H]	(14,127.20)	(7,817.01)

2. PERFORMANCE REVIEW

During the year under review, the performance of the Company continues to be severely impacted due to significant downturn in the Global Market. However, the Company achieved turnover of Rs. 25,768.11 lakhs and Earnings before interest, tax, depreciation and amortisation ("EBITDA") of Rs. 1,050.84 lakhs during the year.

Your Directors feel that the Company will be seeing a turnaround in the financial year 2016-17 keeping in view the certain measures taken or expected to be taken by the Government to support of the domestic manufacturers in India viz. domestic content requirement policy, viability gap funding policy etc.

3. RESERVES AND SURPLUS

During the year under review, the Company has not transferred any amount to reserves due to losses incurred.

4. DIVIDEND

Due to non availability of profit, the Board does not recommend any dividend for the year ended 31st March 2016.

5. STATUS OF IMPLEMENTATION OF 250 MW PROJECT

The project is in the last stages of implementation and it is expected that it will get ready by end of the financial year 2016-17.

6. NUMBER OF MEETINGS OF THE BOARD

Five meetings of the board were held during the year. For details of the meetings of the board, please refer to the point no. 2 of the corporate governance report, which forms part of this report.

7. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of section 149 of the Act, Mr. Gautam Singh Kuthari, Mr. Vidyut Manubhai Vora and Ms. Vinati Dev were appointed as independent directors at the annual general meeting of the Company held on September 30, 2014. They have submitted a declaration that each of them meets the criteria of independence as provided in section 149(6) of the Act and there has been no change in the circumstances which may affect their status as independent director during the year.

As per Section 152 of the Companies Act 2013, Mr. Hulas Rahul Gupta, Managing Director liable to retire by rotation in 11th AGM and being eligible has offered himself for the reappointment. The Board of Directors recommended the reappointment for the consideration for the shareholders in ensuring AGM.

Pursuant to the provision of Companies Act, 2013, the key managerial personnel of the Company are Mr. Hulas Rahul Gupta, Managing Director, Mr. Anand Kumar Agarwal, Chief Financial Officer and Mr. Manish Gupta, Company Secretary. During the year, Mr. Sandeep Kumar Chopra has resigned from the post of Company Secretary w.e.f. October 01, 2015 and Mr. Manish Gupta has been appointed as Company Secretary w.e.f. November 10, 2015.

8. BOARD EVALUATION

The board of directors has carried out an annual evaluation of its own performance, board committees and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 ("SEBI Listing Regulations").

The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of the criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings, etc.

The board and the nomination and remuneration committee reviewed the performance of the individual directors on the basis of the criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc

In a separate meeting of independent directors, performance of non-independent directors, performance of the board as a whole and performance of the chairman was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent directors, at which the performance of the board, its committees and individual directors was also discussed. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

9. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS

The Company strives to maintain an appropriate combination of executive, non executive and independent Directors subject to Min of 3 and Maximum of 12 Directors including at least one Women Director.

The Nomination and Remuneration Committee of the Company leads the process for Board Appointment in accordance with the requirements of the Companies Act, 2013, SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015 and other applicable regulations or policy guidelines.

During the previous year under review the Company has adopted the Nomination and Remuneration Policy for Directors, KMPs and Other Employees. The policy is available on website of the Company i.e. www.indosolar.co.in.

10. EXTRACT OF THE ANNUAL RETURN

The extracts of the annual return in form MGT-9 for the Financial Year 2015-16 under the Companies Act 2013 is given in **Annexure I** to this report.

11. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH THE RELATED PARTIES REFERRED TO IN SECTION 188(1) OF THE COMPANIES ACT, 2013

None of the transactions with related parties falls under the scope of section 188(1) of the Companies Act, 2013. Information on transactions with related parties pursuant to section 134(3)(h) of the Companies Act, 2013 read with rule 8(2) of the Companies (Accounts) Rules, 2014 are given in **Annexure II** in Form AOC-2 and the same forms part of this report.

12. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

During the financial year 2015-16, the Company has not given loans, guarantees/surety or investment as described under Section 186 of the Companies Act, 2013.

13. AUDIT COMMITTEE

The details pertaining to composition of audit committee are included in the point no. 3 of the Corporate Governance Report, which forms part of this report.

14. CORPORATE SOCIAL RESPONSIBILITY (CSR)

Due to the continued heavy losses incurred by the Company, the CSR provisions of Companies Act, 2013, are not applicable.

15. CHANGES IN CAPITAL STRUCTURE

There was no change in capital structuring during the period 2015-16 except change in terms of 95,00,000 zero coupon non cumulative non-convertible redeemable preference shares to 95,00,000 compulsorily convertible preference shares.

16. RISK MANAGEMENT

The Board of Directors is overall responsible for identifying, evaluating and managing all the significant risks faced by the Company. The Board has approved the Risk Management Policy, which acts as the guideline by which the key risks are managed across the organization.

In the opinion of the Board, none of the risk faced by the Company threaten its existence. However the following risks are considered to have the potential bearing on the performance of the Company:

- (i) Low prices of the Chinese Suppliers of the Solar Voltaic Cells
- (ii) Liquidity Crunch is resulting in the delay of completion of line C.
- (iii) Threat from new entrants in the Market.
- (iv) Inability of the Company to get the Continuous Orders throughout the year.

The Risk Management Policy is available on the Company's Website www.indosolar.co.in.

17. INTERNAL FINANCIAL CONTROLS AND ITS ADEQUACY

The details in respect of internal financial control and their adequacy are included in the point no. 5 of the management discussion & analysis report, which forms part of this report.

18. VIGIL MECHANISM

The Company has in place a Whistleblower policy, to support the Codes of Business Ethics. This policy documents the Company's commitment to maintain an open work environment in which employees, consultants and contractors are able to report instances of unethical or undesirable conduct, actual or suspected frauds or any violation of Company's Code of Business Ethics at a significantly Senior Level without fear of intimidation or retaliation. The Company's Whistle Blower Policy has been posted on the Company's website www.indosolar.co.in.

19. AUDITORS

STATUTORY AUDITORS

Pursuant to the provisions of Section 139 of the Company's Act 2013 and the Rules framed there under M/s B S R & Co. LLP, Chartered Accountants were appointed as the Statutory Auditors of the Company from the conclusion of 9th Annual General Meeting ("AGM") held on 30th Sep 2014 till the conclusion of 13th AGM to be held in the Year 2018 subject to ratification of their appointment by the shareholders of the Company in every AGM.

The Board of Directors recommends their ratification by way of an ordinary resolution in the ensuing AGM.

COST AUDITOR

In terms of Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014, the Company is required to maintain cost accounting records and get them audited for the Financial Year 2016-17.

The Board has appointed M/s Kabra & Associates Cost Accountants as the Cost Auditors for the Company for the Financial Year 2016-17 for the fees of Rs. 50000/- (Rupees Fifty Thousand Only) plus applicable taxes and out of pocket expenses subject to the ratification of the said fees by the Shareholders at the ensuing AGM.

SECRETARIAL AUDITOR

Pursuant to the provisions of the Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration) Rules, 2014, the Company had appointed M/s Chandrasekaran Associates a firm of Company Secretaries in Practice to undertake the secretarial audit of the company for the Financial Year 2015-16. The report of secretarial audit is annexed to this report as **Annexure III**.

The Secretarial Auditor's Report is self explanatory and does not require further comment.

20. STATUTORY AUDITORS' REPORT

On the Auditors' qualified opinion with regards to Going Concern Status of the Company, the reply from the management is as under:

1. Due to the adverse market conditions from last four years, the Company could not meet its liabilities of Rs 59,444.58 lakhs due on the first CDR and on Account of purchase of materials and capital goods for Rs. 6,452.78 lakhs as mentioned in para 4(a) of the Auditors' Report.

In view to above, the Bankers are considering the transfer of loan liabilities to some ARCs and/or to invoke change in the management instead of considering our proposal for 2nd CDR scheme.

2. The Long Disputed cases namely the dispute regarding the Capital Subsidy under Special Incentive Package has been decided in the favour of the Company. Refer Delhi High Court Order WP(C) No. 3625/2013. However, the DIT

(“Department”) aggrieved with the said order and filed writ petition with Delhi High Court to challenging the said order. The matter is yet not concluded.

3. The Dispute with MP Urja regarding the turnkey contract is in the final stages of getting settled.
4. In view of the numerous uncertainty and accumulated losses, Auditor’s shows inability to uncertain of quantum of impairment in respect of carrying value of fixed assets. However, the Company feels that in view of future market prospects such provision is not necessary.

21. DEPOSITS

The Company has not accepted any deposits from public during the financial year under review.

22. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

Information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo as required to be furnished under the provisions of section 134 (3) (m) given as **Annexure IV** to this report.

23. DIRECTORS’ RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134 of the Companies Act, 2013, the Directors confirm that:-

- a. In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. they had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for the period ended 31st March 2016;
- c. they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. they had prepared the annual accounts on a going concern basis;
- e. they had laid down Internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively; and
- f. they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

24. PARTICULARS OF EMPLOYEES

The information required under section 197 of the Companies Act, 2013 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

- a) **The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;**

Name of Director	Designation	Ratio to Median Remuneration
Mr. Hulas Rahul Gupta	Managing Director	42:1
Mr. Gautam Singh Kuthari	Non-Executive Independent Director	0
Mr. Vidyut Manubhai Vora	Non-Executive Independent Director	0
Ms. Vinati Dev	Non-Executive Independent Director	0

- b) **The percentage increase in remuneration of each director, Chief Executive Officer, Chief Financial Officer, Company Secretary or Manager, if any, in the financial year;**

Name of Person	Designation	% Increase in remuneration
Mr. Hulas Rahul Gupta	Managing Director	0
Mr. Gautam Singh Kuthari	Non-Executive Independent Director	0
Mr. Vidyut Manubhai Vora	Non-Executive Independent Director	0
Ms. Vinati Dev	Non-Executive Independent Director	0
Mr. Anand Kumar Agarwal	Chief Financial Officer	0
Mr. Manish Gupta	Company Secretary	0

- (c) The percentage increase in the median remuneration of employees in the financial year: 11%
- (d) The number of permanent employees on the rolls of company as on 31st March 2016: 283
- (e) The explanation on the relationship between average increase in remuneration and company performance:
On an average, employees received an increase of 7.60%. The increase in remuneration is in line with the market trends and is necessary to retain the employees.

- (f) Comparison of the remuneration of the Key Managerial Personnel against the performance of the company:

Particulars	Rs. (in lakhs)
Remuneration of Key Managerial Personnel (KMP) during financial year 2015-16 (aggregated)	74.60
Revenue from operations	25,768.11
Remuneration of KMPs (as % of revenue)	0.29%
Profit before tax (PBT)	(14,127.20)
Remuneration (as % of PBT)	N.A. as PBT is negative

- (g) Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public:

Particulars	Unit	As at 31st Mar 16	As at 31st Mar 15	Variation (%)
Closing Rate of Share at NSE	Rs.	8.20	14.90	-44.97%
Closing Rate of Share at BSE	Rs.	8.18	14.90	-45.10%
Earnings Per Share	Rs.	-3.94	-2.26	-74.34%
Market Capitalization	Rs./lakhs	29,366.66	53,361.37	-44.97%
Price Earnings ratio	Ratio	N.A. as EPS is -ive	N.A. as EPS is -ive	

- (h) average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average increase in salaries of employees other than managerial personnel in 2015-16 was 7.60%. Percentage increase in the managerial remuneration for the year was 0%. The Managerial Remuneration paid to directors recovered as per MCA order.

- (i) Comparison of each remuneration of the Key Managerial Personnel against the performance of the Company:

Particulars	Hulas Rahul Gupta, Managing Director	Anand Kumar Agarwal, Chief Financial Officer	Manish Gupta/ Sandeep Chopra Company Secretary
Remuneration in FY 16 (Rs. in lakhs)	Nil	72.00	10.22
Revenue (Rs. in lakhs)	25,768.11		
Remuneration (as % of revenue)	Nil	0.28%	0.04%
Profits/ (loss) before tax (PBT) (Rs. in lakhs)	(14,127.20)		
Remuneration (as % of PBT)	N.A.as PBT is negative		

(j) **The key parameters for any variable component of remuneration availed by the directors:**

There is no variable component approved for the payment to any director.

(k) **The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:**

None.

(l) **Affirmation that the remuneration is as per the remuneration policy of the Company:**

The Company affirms remuneration is as per the remuneration policy of the Company.

(m) **Information as per Rule 5(2) of Chapter XIII of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:**

During the year following employees received salary in excess of Rs. 60 lakhs p.a. or employed for the part of year with Average Salary above Rs. 5 Lakhs

S. No.	Name & Designation	Age	Qualification	Experience	Date of Commencement of Employment	Gross Salary per Year (in lakh)	Previous Employment	Nature of Employment	% of Equity Shares held
1	B K Gupta, Chairman & Whole-time Director*	80	BA	51 years	15 th Jan 2008	50.59	Phoenix lamps Limited	Full Time Employee	15.78%
2	H R Gupta, Managing Director*	56	BBA	31 years	15 th Jan 2008	134.40	Phoenix lamps Limited	Full Time Employee	22.45%
3	A K Agarwal, Chief Finance Officer	66	B.Com	41 years	01 st July 2008	72.00	Phoenix lamps Limited	Full Time Employee	0.11%
4	D N Singh, Chief Technical Officer	66	Ph.D Micro-electronics	39 years	12 th August 2008	69.18	Semi Conductor Complex Limited	Full Time Employee	0.00%

*The remuneration so paid during the year was recovered as per MCA order (please refer Note No. 34(c) of the Notes to the Financial Statement.

25. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report for the year under review, in terms of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 given as **Annexure V** forming integral part of the Annual Report

26. CORPORATE GOVERNANCE REPORT

Your Company strives to ensure that best Corporate Governance Practices are identified, adopted and consistently followed.

The Report on the Corporate Governance forms an integral part of this report and is set out as Annexure VI to this report. The Certificate from the practicing Company Secretary M/s Chandrasekaran Associates, Company Secretaries, certifying compliance with the conditions of the Corporate Governance as stipulated under Clause 49 of the Listing Agreement with Stock Exchanges up to November 30, 2015 and Regulation 15(2) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 effective from December 01, 2015 is annexed with the report on Corporate Governance.

27. LISTING OF SHARES

The Equity Shares of the Company are listed on BSE Limited and National Stock Exchange of India Limited. The listing fees for the financial year 2016-17 has been paid.

28. PREVENTION OF SEXUAL HARASSMENT

The Company is committed to provide a protective environment at workplace for all its women employees. To ensure that every woman employee is treated with dignity and respect and as mandate under “The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013” the Company has in place a formal policy for prevention of sexual harassment of its women employees.

The Company has an Anti Sexual Harassment Policy in line with the requirement of “The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013”.

Further, the Company has constituted Internal Complaints Committee to redress Complaints received regarding sexual harassment during the period. The following is a summary of sexual harassment complaints received and disposed off during the period:

Number of Complaints received	Nil
Number of Complaints disposed off	Nil

29. APPRECIATION

Your Directors wish to place on record their sincere appreciation of the efforts and dedicated services of all the employees which have contribute by staying with the Company in the tough period .

30. ACKNOWLEDGEMENTS

The Board of Directors places on record its appreciation for the support, assistance and co-operation received from Government, Regulators and the bankers to the Company, i.e. Union Bank of India, Andhra Bank, Bank of Baroda, Corporation Bank and Indian Bank.

The Board is thankful to the shareholders for their support to the Company.

The Board is also thankful to the employees of the Company for their co-operation and unstinted dedication to duty leading to cordial industrial relations during the year under review.

**On behalf of the Board of Directors
For INDOSOLAR LIMITED**

H. R. GUPTA
Managing Director
DIN: 00297722

GAUTAM SINGH KUTHARI
Director
DIN: 00945195

Place : Greater Noida
Date : August 08, 2016

**Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on March 31, 2015**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION & OTHER DETAILS:

1	CIN	L18101DL2005PLC134879
2	Registration Date	8-Apr-05
3	Name of the Company	INDOSOLAR LIMITED
4	Category/Sub-category of the Company	PUBLIC COMPANY LIMITED BY SHARES
5	Address of the Registered office & contact details	C-12, FRIENDS COLONY (EAST), NEW DELHI- 110065
6	Whether listed company	YES
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited 44 , Community Centre , 2nd Floor , Naraina Industrial Area, Phase -1 , Near PVR Naraina , New Delhi-110028. Phone No.: 011-41410592

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Manufacturing of Solar Cells & Module	35105	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

SN	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
-----NIL-----					

IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

(i) Category-wise Share Holding

Demat	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	Demat	
A. Promoters									
(1) Indian									
a) Individual/ HUF	137,240,497	-	137,240,497	38.32%	137,240,497	-	137,240,497	38.32%	0.00%
b) Central Govt			-	0.00%			-	0.00%	0.00%
c) State Govt(s)			-	0.00%			-	0.00%	0.00%
d) Bodies Corp.			-	0.00%			-	0.00%	0.00%
e) Banks / FI			-	0.00%			-	0.00%	0.00%
f) Any other			-	0.00%			-	0.00%	0.00%
Sub Total (A) (1)	137,240,497	-	137,240,497	38.32%	137,240,497	-	137,240,497	38.32%	0.00%
(2) Foreign									
a) NRI Individuals			-	0.00%			-	0.00%	0.00%
b) Other Individuals			-	0.00%			-	0.00%	0.00%
c) Bodies Corp.	65,600,473	-	65,600,473	18.32%	69,241,052	-	69,241,052	19.33%	5.55%

Demat	No. of Shares held at the beginning of the year [As on 31-March-2015]				No. of Shares held at the end of the year [As on 31-March-2016]				% Change during the year
	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	Demat	
d) Any other			-	0.00%			-	0.00%	0.00%
Sub Total (A) (2)	65,600,473	-	65,600,473	18.32%	69,241,052	-	69,241,052	19.33%	5.55%
TOTAL (A)	202,840,970	-	202,840,970	56.64%	206,481,549	-	206,481,549	57.66%	1.79%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds			-	0.00%			-	0.00%	0.00%
b) Banks / FI	15,609,513	-	15,609,513	4.36%	15,856,923	-	15,856,923	4.43%	1.58%
c) Central Govt			-	0.00%			-	0.00%	0.00%
d) State Govt(s)			-	0.00%			-	0.00%	0.00%
e) Venture Capital Funds			-	0.00%			-	0.00%	0.00%
f) Insurance Companies			-	0.00%			-	0.00%	0.00%
g) FIs			-	0.00%			-	0.00%	0.00%
h) Foreign Venture Capital Funds			-	0.00%			-	0.00%	0.00%
i) Others (specify)			-	0.00%			-	0.00%	0.00%
Sub-total (B)(1):-	15,609,513	-	15,609,513	4.36%	15,856,923	-	15,856,923	4.43%	1.58%
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	21,971,680	-	21,971,680	6.14%	15,223,018	-	15,223,018	4.25%	-30.72%
ii) Overseas			-	0.00%			-	0.00%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	45,228,706	1,704	45,230,410	12.63%	81,994,433	1,604	81,996,037	22.90%	81.29%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	59,582,304	-	59,582,304	16.64%	27,906,310	-	27,906,310	7.79%	-53.16%
c) Others (specify)									
Non Resident Indians	2,113,875	-	2,113,875	0.59%	2,129,466	-	2,129,466	0.59%	0.74%
Overseas Corporate Bodies	-	3,640,579	3,640,579	1.02%	-	-	-	0.00%	-100.00%
HUF	6,566,181	-	6,566,181	1.83%	5,546,755	-	5,546,755	1.55%	-15.53%
Foreign Nationals			-	0.00%			-	0.00%	0.00%
Clearing Members	557,044	-	557,044	0.16%	2,972,498	-	2,972,498	0.83%	433.62%
Trusts	17,444	-	17,444	0.00%	17,444	-	17,444	0.00%	0.00%
Foreign Bodies - D R			-	0.00%			-	0.00%	0.00%
Sub-total (B)(2):-	136,037,234	3,642,283	139,679,517	39.00%	135,789,924	1,604	135,791,528	37.92%	-2.78%
Total Public (B)	151,646,747	3,642,283	155,289,030	43.36%	151,646,847	1,604	151,648,451	42.34%	-2.34%
C. Shares held by Custodian for GDRs & ADRs	-	-	-	0.00%	-	-	-	0.00%	0.00%
Grand Total (A+B+C)	354,487,717	3,642,283	358,130,000	100.00%	358,128,396	1,604	358,130,000	100.00%	0.00%

(ii) Shareholding of Promoter/ Promoter Group

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Bhushan Kumar Gupta	56,500,001	15.78%	100%	56,500,001	15.78%	100%	0.00%
2	Hulas Rahul Gupta	80,385,494	22.45%	100%	80,385,494	22.45%	100%	0.00%
3	Priya Gupta	355,001	0.10%	-	355,001	0.10%	-	0.00%
4	Abha Gupta	1	0.00%	-	1	0.00%	-	0.00%
5	Greenlite Lighting Corporation	65,600,473	18.32%	-	69,241,052	19.33%	-	5.55%

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Bhushan Kumar Gupta						
	At the beginning of the year	1-Apr-15		56,500,001	15.78%	56,500,001	15.78%
	Changes during the year			-	0.00%	56,500,001	15.78%
	At the end of the year	31-Mar-16		56,500,001	15.78%	56,500,001	15.78%
2	Hulas Rahul Gupta						
	At the beginning of the year	1-Apr-15		80,385,494	22.45%	80,385,494	22.45%
	Changes during the year			-	0.00%	80,385,494	22.45%
	At the end of the year	31-Mar-16		80,385,494	22.45%	80,385,494	22.45%
3	Priya Gupta						
	At the beginning of the year	1-Apr-15		355,001	0.10%	355,001	0.10%
	Changes during the year			-	0.00%	355,001	0.10%
	At the end of the year	31-Mar-16		355,001	0.10%	355,001	0.10%
4	Abha Gupta						
	At the beginning of the year	1-Apr-15		1	0.00%	1	0.00%
	Changes during the year			-	0.00%	1	0.00%
	At the end of the year	31-Mar-16		1	0.00%	1	0.00%
5	Greenlite Lighting Corporation						
	At the beginning of the year	1-Apr-15		65,600,473	18.32%	65,600,473	18.32%
	Changes during the year	14-Dec-15	Transfer	3,640,579	1.02%	69,241,052	19.33%
	At the end of the year	31-Mar-16		69,241,052	19.33%	69,241,052	19.33%

(iv) Shareholding Pattern of top ten Shareholders

(Other than Directors, Promoters and Holders of GDRs and ADRs):

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	IDBI Bank Limited						
	At the beginning of the year	1-Apr-15		10,721,005	2.99%	10,721,005	2.99%
	Changes during the year			-	0.00%	10,721,005	2.99%
	At the end of the year	31-Mar-16		10,721,005	2.99%	10,721,005	2.99%
2	Thomas Varghese						
	At the beginning of the year	1-Apr-15		6,739,516	1.88%	6,739,516	1.88%
	Changes during the year	8-May-15	Transfer	(15,000)	0.00%	6,724,516	1.88%
		22-May-15	Transfer	(516)	0.00%	6,724,000	1.88%
		12-Jun-15	Transfer	(11,250)	0.00%	6,712,750	1.87%
		19-Jun-15	Transfer	(10,000)	0.00%	6,702,750	1.87%
		26-Jun-15	Transfer	(5,000)	0.00%	6,697,750	1.87%
		30-Jun-15	Transfer	(10,000)	0.00%	6,687,750	1.87%
		3-Jul-15	Transfer	(7,500)	0.00%	6,680,250	1.87%
		17-Jul-15	Transfer	(2,500)	0.00%	6,677,750	1.86%
		14-Aug-15	Transfer	(15,000)	0.00%	6,662,750	1.86%
		21-Aug-15	Transfer	(73,000)	-0.02%	6,589,750	1.84%
		28-Aug-15	Transfer	(142,500)	-0.04%	6,447,250	1.80%
		4-Sep-15	Transfer	(16,000)	0.00%	6,431,250	1.80%
		11-Sep-15	Transfer	(69,000)	-0.02%	6,362,250	1.78%
		9-Oct-15	Transfer	(20,000)	-0.01%	6,342,250	1.77%
		6-Nov-15	Transfer	4,000	0.00%	6,346,250	1.77%
		4-Dec-15	Transfer	(187,000)	-0.05%	6,159,250	1.72%
		18-Dec-15	Transfer	(47,061)	-0.01%	6,112,189	1.71%
		1-Jan-16	Transfer	(30,000)	-0.01%	6,082,189	1.70%
		8-Jan-16	Transfer	(15,000)	0.00%	6,067,189	1.69%
		15-Jan-16	Transfer	(46,189)	-0.01%	6,021,000	1.68%
		22-Jan-16	Transfer	70,499	0.02%	6,091,499	1.70%
		29-Jan-16	Transfer	28,708	0.01%	6,120,207	1.71%
		19-Feb-16	Transfer	(500,225)	-0.14%	5,619,982	1.57%
		26-Feb-16	Transfer	(147,321)	-0.04%	5,472,661	1.53%
		4-Mar-16	Transfer	(56,500)	-0.02%	5,416,161	1.51%
	11-Mar-16	Transfer	(80,327)	-0.02%	5,335,834	1.49%	
	18-Mar-16	Transfer	(28,261)	-0.01%	5,307,573	1.48%	
	25-Mar-16	Transfer	(32,000)	-0.01%	5,275,573	1.47%	
	At the end of the year	31-Mar-16		5,275,573	1.47%	5,275,573	1.47%

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
3	Union Bank of India						
	At the beginning of the year	1-Apr-15		2,950,000	0.82%	2,950,000	0.82%
	Changes during the year	17-Apr-15	Transfer	(15,000)	0.00%	2,935,000	0.82%
		8-May-15	Transfer	15,000	0.00%	2,950,000	0.82%
		10-Jul-15	Transfer	15,000	0.00%	2,965,000	0.83%
At the end of the year	31-Mar-16		2,965,000	0.83%	2,965,000	0.83%	
4	Vishanji Shamji Dedhia						
	At the beginning of the year	1-Apr-15		1,100,000	0.31%	1,100,000	0.31%
	Changes during the year	15-May-15	Transfer	600,000	0.17%	1,700,000	0.47%
		22-May-15	Transfer	800,000	0.22%	2,500,000	0.70%
		5-Jun-15	Transfer	(66,219)	-0.02%	2,433,781	0.68%
		12-Jun-15	Transfer	(33,781)	-0.01%	2,400,000	0.67%
At the end of the year	31-Mar-16		2,400,000	0.67%	2,400,000	0.67%	
5	Bank of Baroda						
	At the beginning of the year	1-Apr-15		1,904,201	0.53%	1,904,201	0.53%
	Changes during the year			-	0.00%	1,904,201	0.53%
	At the end of the year	31-Mar-16		1,904,201	0.53%	1,904,201	0.53%
6	Sanjay Gupta						
	At the beginning of the year	1-Apr-15		1,485,718	0.41%	1,485,718	0.41%
	Changes during the year	10-Jul-15	Transfer	(53,000)	-0.01%	1,432,718	0.40%
		28-Aug-15	Transfer	5,000	0.00%	1,437,718	0.40%
		9-Oct-15	Transfer	50,000	0.01%	1,487,718	0.42%
		18-Dec-15	Transfer	13,000	0.00%	1,500,718	0.42%
		25-Dec-15	Transfer	200	0.00%	1,500,918	0.42%
		31-Dec-15	Transfer	61,800	0.02%	1,562,718	0.44%
		8-Jan-16	Transfer	37,282	0.01%	1,600,000	0.45%
15-Jan-16	Transfer	10,000	0.00%	1,610,000	0.45%		
At the end of the year	31-Mar-16		1,610,000	0.45%	1,610,000	0.45%	
7	Tarun Jain						
	At the beginning of the year	1-Apr-15		1,547,570	0.43%	1,547,570	0.43%
	Changes during the year			-	0.00%	1,547,570	0.43%
	At the end of the year	31-Mar-16		1,547,570	0.43%	1,547,570	0.43%

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
8	Brand Equity Treaties Limited						
	At the beginning of the year	1-Apr-15		1,400,000	0.39%	1,400,000	0.39%
	Changes during the year			-	0.00%	1,400,000	0.39%
	At the end of the year	31-Mar-16		1,400,000	0.39%	1,400,000	0.39%
9	Aadi Financial Advisors LLP						
	At the beginning of the year	1-Apr-15		1,377,542	0.38%	1,377,542	0.38%
	Changes during the year	18-Mar-16	Transfer	(325,000)	-0.09%	1,052,542	0.29%
		25-Mar-16	Transfer	(52,542)	-0.01%	1,000,000	0.28%
At the end of the year	31-Mar-16		1,000,000	0.28%	1,000,000	0.28%	
10	K Subramaniam						
	At the beginning of the year	1-Apr-15		1,000,000	0.28%	1,000,000	0.28%
	Changes during the year	8-May-15	Transfer	(1,000)	0.00%	999,000	0.28%
		22-May-15	Transfer	(1,000)	0.00%	998,000	0.28%
		29-May-15	Transfer	(1,000)	0.00%	997,000	0.28%
		12-Jun-15	Transfer	(4,000)	0.00%	993,000	0.28%
		24-Jul-15	Transfer	(2,000)	0.00%	991,000	0.28%
		7-Aug-15	Transfer	4,000	0.00%	995,000	0.28%
		30-Sep-15	Transfer	(2,000)	0.00%	993,000	0.28%
		30-Oct-15	Transfer	(3,000)	0.00%	990,000	0.28%
		6-Nov-15	Transfer	(3,000)	0.00%	987,000	0.28%
		13-Nov-15	Transfer	(2,000)	0.00%	985,000	0.28%
		11-Dec-15	Transfer	(2,000)	0.00%	983,000	0.27%
		18-Dec-15	Transfer	(2,000)	0.00%	981,000	0.27%
		8-Jan-16	Transfer	(1,000)	0.00%	980,000	0.27%
		22-Jan-16	Transfer	(1,000)	0.00%	979,000	0.27%
		12-Feb-16	Transfer	(2,000)	0.00%	977,000	0.27%
26-Feb-16	Transfer	(2,000)	0.00%	975,000	0.27%		
11-Mar-16	Transfer	(2,000)	0.00%	973,000	0.27%		
At the end of the year	31-Mar-16			973,000	0.27%	973,000	0.27%

(v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Hulas Rahul Gupta						
	At the beginning of the year	1-Apr-15		80,385,494	22.45%	80,385,494	22.45%
	Changes during the year			-	0.00%	80,385,494	22.45%
	At the end of the year	31-Mar-16		80,385,494	22.45%	80,385,494	22.45%
2	Gautam Singh Kuthari						
	At the beginning of the year	1-Apr-15		100,000	0.03%	100,000	0.03%
	Changes during the year			-	0.00%	100,000	0.03%
	At the end of the year	31-Mar-16		100,000	0.03%	100,000	0.03%
3	Vidyut Manubhai Vora						
	At the beginning of the year	1-Apr-15		47,711	0.01%	47,711	0.01%
	Changes during the year			-	0.00%	47,711	0.01%
	At the end of the year	31-Mar-16		47,711	0.01%	47,711	0.01%
4	Vinati Dev						
	At the beginning of the year	1-Apr-15		-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31-Mar-16		-	0.00%	-	0.00%
5	Anand Kumar Agarwal						
	At the beginning of the year	1-Apr-15		306,405	0.09%	306,405	0.09%
	Changes during the year	28-Jan-16	Transfer	(6,404)	0.00%	300,001	0.08%
		4-Feb-16	Transfer	100,000	0.03%	400,001	0.11%
	At the end of the year	31-Mar-16		400,001	0.11%	400,001	0.11%
6	Manish Gupta						
	At the beginning of the year	1-Apr-15		-	0.00%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year	31-Mar-16		-	0.00%	-	0.00%

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	96,326.06	1,434.09	-	97,760.15
ii) Interest due but not paid	17,054.93	-	-	17,054.93
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	113,380.99	1,434.09	-	114,815.08
Change in Indebtedness during the financial year				
* Addition	13,194.63		-	13,194.63
** Reduction	1,946.41	329.04	-	2,275.45
Net Change	11,248.22	(329.04)	-	10,919.18
Indebtedness at the end of the financial year				
i) Principal Amount	94,429.31	1,105.05	-	95,534.36
ii) Interest due but not paid	30,199.89	-	-	30,199.89
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	124,629.20	1,105.05	-	125,734.25
*Addition: Principle amount Rs. 49.67 lakhs and Interest amount Rs. 13,144.97 lakhs				
**Reduction: Principle amount Rs. 1,946.41 lakhs				

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount (Rs/Lac)
		Bhushan Kumar Gupta*	Hulas Rahul Gupta**	
		Whole Time Director	Managing Director	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	45.17	120.00	165.17
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission			
	- as % of profit	-	-	-
	- others, specify	-	-	-
5	Others, please specify			
	Total (A)	45.17	120.00	165.17
	Ceiling as per the Act	1.2 Crores per annum as per Schedule V of the Companies Act, 2013		
* Salary paid to till date 17th August, 2015 and same was recovered as per MCA order. (Please refer Note No. 34(c) of Notes to the financial statements)				
**The amount paid was recovered as per MCA order. (Please refer Note No. 34(c) of Notes to the financial statements)				

B. Remuneration to other Directors

SN.	Particulars of Remuneration	Name of Directors			Total Amount (Rs/Lac)
		Gautam Singh Kuthari	Vidyut Manubhai Vora	Vinati Dev	
1	Independent Directors	Gautam Singh Kuthari	Vidyut Manubhai Vora	Vinati Dev	
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (1)	-	-	-	-
2	Other Non-Executive Directors	-----NIL-----			-
	Fee for attending board committee meetings				-
	Commission				-
	Others, please specify				-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	-	-	-
	Total Managerial Remuneration				165.17

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

SN.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount (Rs/Lac)
		Name	Anand Kumar Agarwal	Manish Gupta*	
		Designation	CEO	CFO	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	72.00	2.60	74.60
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	-	-	-	-
	- others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	-	72.00	2.60	74.60

* Manish Gupta was appointed w.e.f. 10th Novemver, 2015

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY					
Penalty					
Punishment					
Compounding		-----NIL-----			
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

On behalf of the Board of Directors
For INDOSOLAR LIMITED

H. R. GUPTA
Managing Director
DIN: 00297722

GAUTAM SINGH KUTHARI
Director
DIN: 00945195

Place : Greater Noida
Date : August 08, 2016

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/ arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms' length transactions under third proviso thereto:

1. **Details of contracts or arrangements or transactions not at arm's length basis:** Indosolar Limited (the Company) has not entered into any contract/arrangement/transaction with its related parties which are not in ordinary course of business or at arm's length during FY 2015-16.

(a)	Name(s) of the related party and nature of relationship:	Not Applicable
(b)	Nature of contracts/arrangements/transactions:	Not Applicable
(c)	Duration of the contracts / arrangements/transactions:	Not Applicable
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	Not Applicable
(e)	Justification for entering into such contracts or arrangements or transactions:	Not Applicable
(f)	Date(s) of approval by the Board:	Not Applicable
(g)	Amount paid as advances, if any:	Not Applicable
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188:	Not Applicable

2. **Details of material contracts or arrangement or transactions at arm's length basis:**

(a)	Name(s) of the related party and nature of relationship:	Not Applicable
(b)	Nature of contracts / arrangements / transactions:	Not Applicable
(c)	Duration of the contracts / arrangements / transactions:	Not Applicable
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	Not Applicable
(e)	Date(s) of approval by the Board, if any:	Not Applicable
(f)	Amount paid as advances, if any:	None

Details of related party transactions i.e. transactions of the company, with its promoters, the Directors or the management, their relatives etc. are present under Note No. 34 to Annual Accounts of the Annual Report.

**On behalf of the Board of Directors
For INDOSOLAR LIMITED**

H. R. GUPTA
Managing Director
DIN: 00297722

GAUTAM SINGH KUTHARI
Director
DIN: 00945195

Place : Greater Noida
Date : August 08, 2016

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

The Members,
INDOSOLAR LIMITED
C-12 Friends Colony (East)
New Delhi-110065

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Indosolar Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 55A;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Share Based employee Benefits) Regulations, 2014; Not Applicable
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not Applicable
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not Applicable and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Not Applicable
- (vi) As confirmed and certified by the management, there is no law specifically applicable to the Company based on the Sectors / Businesses.

We have also examined compliance with the applicable clauses/Regulations of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India and effective from 01.07.2015.
- (ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited, BSE Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 effective from 01.12.2015

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observation.

1. The Company has accrued/paid managerial remuneration which was in excess of the limits specified in Schedule V read with Section 197 of the Act. The company had filed Applications with Central Government for regularizing the payments of managerial remuneration. Subsequent to the year end, the company received letters from Central Government rejecting such applications. Accordingly, the Company has recovered the managerial remuneration paid in year ended 31 March 2016 of Rs. 184.99 lakhs and in previous year of Rs. 147.84 lakhs by adjusting the payable balances of Directors.
2. The Company approached the consortium bankers for the second corporate debt re-structuring package. The Consortium bankers in their joint lender meetings has decided that banks' are not considering second re-structuring proposal as of now and exploring the possibilities of the sales to Assets Restructuring Company and/or to invoke the change in management.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period of the Company the following specific events / actions took place which may be having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

- The Company had issued 9,500,000 zero coupon non-convertible non-cumulative redeemable preference shares having par value of Rs. 10 each per share in the year ended 31 March 2013. During the current year, in its Annual General Meeting, the shareholders approved change in terms of 9,500,000 zero coupon non-convertible, non-cumulative redeemable preference share to 9,500,000 compulsorily convertible preference shares. "In- principle" approval from stock exchanges has been received on 16 October 2015 and on 4 April 2016 from NSE and BSE respectively. Accordingly, subsequent to the year end, on 8 April 2016 the Company changed the terms of preference shares subject to the condition that the mentioned 9,500,000 compulsorily convertible preference share shall be locked-in for a period of one year from the date of change in terms.

Shashikant Tiwari

For Chandrasekaran Associates

Company Secretaries

Membership No. A28994

Certificate of Practice No. 13050

Date:08.08.2016

Place: New Delhi

Note: This report is to be read with our letter of even date which is annexed as Annexure-A and forms an integral part of this report.

Annexure-A

The Members

INDOSOLAR LIMITED

C-12 Friends Colony (East)

New Delhi-110065

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Shashikant Tiwari

For Chandrasekaran Associates

Company Secretaries

Membership No. A28994

Certificate of Practice No. 13050

Date:08.08.2016

Place: New Delhi

A. CONSERVATION OF ENERGY

1. **STEPS TAKEN FOR CONSERVATION OF ENERGY** Conservation measures like installation of 500 KW Captive Solar Plant, Installation of LED Lightings to reduce power cost to considerable extent.
2. **CONSUMPTION OF UNITS OF ENERGY**
 - A. Electric Energy:130.06 (Pr. Year 157.21) lakhs units supplied by Power Corporation. 28.42 (Pr.Year 7.02) lakhs units generated by DG Sets.
 - B. Diesel :13.36 (Pr. Year 20.20) lakhs liters for running DG Sets.
3. **STEPS TAKEN BY COMPANY FOR UTILIZING ALTERNATE ENERGY** 3.03 lakhs Units were generated by the 500 KW Captive Solar Plant in the year 2015-16.

B. TECHNOLOGY ABSORPTION

Form for disclosure of particulars with respect to absorption Research and Development (R & D)

1.	Specific areas in which R & D carried out by the Company	<ul style="list-style-type: none"> ▪ Four bus bar solar cells introduced in production. ▪ Modification in texture (flipper & additive) process for Higher Efficiency introduced. ▪ Introduction of High efficiency wafer to increase efficiency. ▪ Metallization improved to reduce CTM loss.
2.	Benefits derived as a result of the above R & D	<ul style="list-style-type: none"> ▪ Increase in cell efficiency by 0.4% absolute (from 17.6% to 18.0%) ▪ Reduction in cost of production by 0.03 \$ per watt.
3.	Future plan of action	<ul style="list-style-type: none"> ▪ Development of 5 Bus Bar Cells. ▪ Phosphorous oxy chloride (POCL₃) based diffusion process to be implemented in line B.
1.	Expenditure on R & D (a) Capital (b) Recurring (c) Total (d) Total R & D expenditure as a percentage of total turnover	Included in the manufacturing cost.

Technology Absorption, Adaptation and Innovation

1.	Efforts, in brief, made towards technology absorption, adaptation and innovation	<ul style="list-style-type: none"> ▪ Efforts to increase throughput of the lines initiated. ▪ Low CTM loss process developed.
2.	Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution, etc.	<ul style="list-style-type: none"> ▪ Cost reduction ▪ Reliability improvement of the product

3.	In case of import of technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:	
(A)		
(a)	Technology imported	(a) Technology to manufacture solar photovoltaic multicrystalline silicon cells
(b)	Year of import	(b) 2009
(c)	Has technology been fully absorbed	(c) Yes
(d)	If not absorbed, areas where this has not taken place, reasons therefore and future plan of action	(d) Not Applicable
(B)		
(a)	Technology imported	(a) Selective Emitter Technology
(b)	Year of import	(b) 2012
(c)	Has technology been fully absorbed	(c) No
(d)	(d) If not absorbed, areas where this has not taken place, reasons therefore and future plan of action	(d) Under installation and commissioning

**ACTIVITIES RELATING TO EXPORTS,
INITIATIVES TAKEN TO INCREASE EXPORTS,
DEVELOPMENT OF NEW EXPORT MARKETS
FOR PRODUCTS AND SERVICES AND EXPORT
PLANS.**

Your Company is a 100% Export Oriented Company.

FOREIGN EXCHANGE EARNING AND OUTGO

(Rs. in lakhs)

Particulars	For Year 2015-16	For Year 2014-15
Foreign Exchange Earning#	15,665.60	29,135.76
Foreign Exchange Outgo	17,523.26	3,990.73

#Includes deemed exports to EOU/SEZ units amounting to Rs. 13,267.23 lakhs (previous year Rs. 28,707.26 lakhs)

**On behalf of the Board of Directors
For INDOSOLAR LIMITED**

H. R. GUPTA
Managing Director
DIN: 00297722

GAUTAM SINGH KUTHARI
Director
DIN: 00945195

Place : Greater Noida
Date : August 08, 2016

MANAGEMENT DISCUSSION AND ANALYSIS REPORT**1. Industry Structure and Developments**

During the year under review, the demand across the globe has slowed down but the supply of SPV Cells has increased resulting in price war. The higher efficiency focus is expected to bring in results soon but it is not expected that it will bring any price increase. Most of the existing players in the PV cell manufacturing segment expanded their capacities. Also several new players entered the global PV cell manufacturing segment. It is clear that the market is looking at higher efficiency & reliability at lower cost.

The worldwide installations of solar power plants in 2016-17 is expected to be higher to that of 2015-16 and the module prices will not see an upsurge in near future because of China price War. It is expected that the prices will remain at the same level in the coming year as well. This is a Challenging period of consolidation. Few companies may find it difficult to survive and this may lead to dumping of modules at much lower prices; leading to price war and pressure on margins. The financial and technologically well equipped companies will survive.

A number of federal policies are being proposed to spur domestic demand for solar PV products have expired or reached their funding limits. More clarity is expected on domestic content, quality of domestic content w.r.t. global content, Feed-in-Tariffs, benefit for investors, etc.

2. Opportunities and Threats**Opportunities**

- a) **India's solar power capacity target under the Jawaharlal Nehru National Solar Mission:** (JNNSM) has stepped up by five times, reaching 1,00,000 MW by 2022. The target will principally comprise of 40 GW Rooftop and 60 GW through Large and Medium Scale Grid Connected Solar Power Projects.
- b) **Mandatory solar installation in Chandigarh:** All residential buildings, which fall within the limits of Municipal Corporation Chandigarh, and are built on a plot size of more than 100 square yards will be required to have rooftop solar installations. The size of the compulsory installation goes up with the size of the plot.
- c) **Ambitious Delhi solar policy of 1GW:** Delhi a "solar city" through generation of 1,000 megawatt of power by 2020 and taking it further to 2,000 MW by 2025. Government is in consultation with Delhi Electricity Regulatory Commission to provide exemption on various other charges. It may exempt wheeling, banking and transmission charges for solar energy within Delhi. GBI of INR 2 per unit is also set for IPPs.
- d) **Solar subsidy from central government:** Central subsidy of 30% of benchmark cost for general states/ UTs and 70% of benchmark cost for special category i.e. North Eastern states unloading Sikkim, Uttarakhand, Himachal Pradesh, Jammu & Kashmir and Lakshadweep, Andaman & Nicobar Islands.
- e) **Revised Renewable Purchase obligation:** The MNRE has asked all states to revise their solar policy targets (refer) to make them consistent with the revised Renewable Purchase Obligation (RPO) target of 8% by 2022, as notified under the revised Tariff Policy published in the Gazette of India on 28th January 2016.
- f) **3,449 villages to electrified by off-grid solar:** Out of the 18452 villages to be electrified by 2018, 3449 will be done by off-grid solar. The government is exploring ways to fast-track rural electrification in Odisha, Bihar, Arunachal Pradesh, Jharkhand and Assam, which are home to most un-electrified villages.
- g) **Haryana to offer 90% subsidy on solar pumps:** Haryana government is set to offer 90% subsidy to promote solar water pumps of 2 horsepower, 5 HP and 10 HP in the current financial year. Under the initiative, farmers will need to bear just 10% cost while the rest will be shared between the central and state governments as financial assistance for setting up 3,050 such pump sets.
- h) **Better net metering rules for rooftop solar:** According to a recently published TechSci Research report "India Solar Rooftop Market By State, By Connectivity, By End User, Competition Forecast & Opportunities, 2011 - 2021", the solar rooftop market in India is projected to grow at a CAGR of over 60% during 2016 – 2021.
- i) **CREDA to install 10,000 solar irrigation pumps**

Threats

- a) Delay in tendering process of the government.
- b) Big players in India who may have a capability to install GW projects.
- c) Non-utilization of our available manufacturing capacity.
- d) Non-availability of full or part of any financial incentives which we have applied for.
- e) Delays and cost overruns in expansion of our manufacturing facilities as a result of factors beyond our control.
- f) The solar market is growing and competition is resulting decline in market share and margins.

- g) 60% of raw material cost is silicon wafer and its manufacturing is dominated by large / limited players.
- h) Continued dumping of PV Cells at cheap prices.

3. Future Outlook

India will be an attractive destination for the Global Investments in the coming years. Under The domestic solar market is slated to explode with projects scheduled to be implemented. The overall domestic market is estimated to swell to the level of 100 GW by 2022. Indosolar, with the proposed up-gradation, the Company would move into top tier of the market segment, which not only provides insulation from the Chinese competition but also augments the pricing premiums.

Solar power in India at current levels is already cheaper than electricity generated through diesel. Support from various state Governments for solar power industry is continuously increasing. Use of domestically manufactured 'cells and modules' has been made mandatory for all projects under Central Government and PSU Schemes.

4. Risks and Concerns

Due to industry downturn and resultant fall in demand, the capacities of the Company are underutilized. The plant remained closed during part of the year due to considerable fall in selling prices. Despite low capacity utilization and production, the Company has to incur fixed costs.

The Company has implemented a Risk Management Policy to have a systematic process to assist in the identification, assessment, treatment and monitoring of risks which provides effective tools to manage the identified risks.

5. Internal Control Systems and its Adequacy

The Company has a proper and adequate system of internal controls commensurate with its size to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and the transactions are authorized, recorded and reported correctly.

Our management assessed the effectiveness of the Company's internal control over financial reporting (as defined in Clause 17 of SEBI Regulations 2015) as of March 31, 2016. The assessment involved self review, peer review and external audit.

B S R & Co. LLP, the statutory auditors of the Company has audited the financial statements included in this annual report and has issued an attestation report on our internal control over financial reporting (as defined in section 143 of Companies Act 2013).

6. Financial Performance viz-a-viz Operational Performance

During the year under review, the Company's Net Sales were Rs. 25,768.11 lakhs as against Rs. 29,597.28 lakhs last year. EBITDA was Rs. 1,050.84 lakhs as against Rs. 5,164.76 lakhs last year. The Company produced photovoltaic solar cells of 110.18 MWp as against 98.35 MWp last year.

7. Human Resource

The Company has adequate Human Resources which commensurate with the current volume of activity and is reviewed by the Management periodically and company would induct competent persons on increase / expansion of the activity.

8. Cautionary Statement

Certain statements made in the management discussion and analysis report relating to the Company's objectives, projections, outlook, expectations, estimates and others may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ from such expectations whether expressed or implied. Several factors could make significant difference to the Company's operations. These include climatic and economic conditions affecting demand and supply, government regulations and taxation, natural calamities over which the Company does not have any direct control.

CORPORATE GOVERNANCE REPORT AS ON 31ST MARCH 2016

The Company's report on Corporate Governance for the year ended on 31st March, 2016 as required under Regulation 34 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 is presented as under:

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Corporate Governance Philosophy of Indosolar Limited rests on the pillars of integrity, accountability, equity, transparency and environmental responsibility that confirms full with laws, regulations and guidelines. The Company's philosophy on corporate governance is to achieve business excellence and maximize stakeholders' value through ethical business conduct. Company's philosophy also includes building partnership with all stakeholders. The Company defines its stakeholders as its Investors, Employees, Customers, Suppliers, Lenders, Associates and the Society at large. The Company continues its commitment to high standards of corporate governance practices.

The Management of your Company commit themselves to:

- (a) Maintain the highest standards of transparency and professionalism in all aspects of decision and transactions;
- (b) Ensure timely dissemination of all price sensitive information and other matters of interest to our stakeholders;
- (c) Ensure that the Board exercises its fiduciary responsibilities towards all stakeholders;
- (d) Comply with the rules and regulations applicable to the Company; and
- (e) Protect interest of all stakeholders.

2. BOARD OF DIRECTORS

The Board of Directors along with its Committees provides leadership and vision to the management and supervise the functioning of the Company. The composition of the Board is governed by the Listing Agreement executed with the Stock Exchanges, the Companies Act, 2013 ("the Act") and provisions of the Articles of Association of the Company.

(A) Composition of Board

The Company has a balanced mix of executive and non-executive independent directors. The Board presently consists of four directors as on 31st March 2016 out of which one is executive and three are non-executive independent directors. The Chairman of the Board is an executive director and more than half of the Board members are non-executive independent directors. The composition of the Board is in compliance with the SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015. The executive director is liable to retire by rotation.

(B) Non-Executive Directors' Compensation

The non-executive directors did not have any material pecuniary relationship or transaction with the Company during the year ended 31st March 2016. No stock options were granted to non-executive independent directors during the year under review.

(C) Board Meetings & Last Annual General Meeting and Attendance of Board meeting

During the year 2015-16, five meetings of the Board of Directors were held on 04th May 2015, 11th Aug 2015, 21st Aug 2015, 03rd Nov 2015 and 25th Jan 2016.

The Tenth Annual General Meeting (AGM) of your Company was held on 30th September 2015.

The names and categories of directors on the Board, their attendance record, number of directorships and committee positions as on 31st March 2016 are mentioned below:

Name of the director	Category	Attendance at meetings during 2015-16		Total no. of directorships including this company as on 31 st March 2016	Total no. of membership of the committees of Board		Total no. of chairmanship of the committees of Board	
		Board (out of 5)	10 th AGM on 30 th Sep. 2015		Membership in audit and stakeholder's relationship committee	Membership in other committee	Chairmanship in audit and stakeholder's relationship committee	Chairmanship in other committees
Mr. Bhushan Kumar Gupta#	Executive Chairman-Pro-moter	Nil	NA	1	Nil	Nil	Nil	Nil
Mr. Hulas Rahul Gupta	Managing Director-Pro-moter	5	Yes	1	1	2	Nil	Nil

Name of the director	Category	Attendance at meetings during 2015-16		Total no. of directorships including this company as on 31 st March 2016	Total no. of membership of the committees of Board		Total no. of chairmanship of the committees of Board	
		Board (out of 5)	10 th AGM on 30 th Sep. 2015		Membership in audit and stakeholder's relationship committee	Membership in other committee	Chairmanship in audit and stakeholder's relationship committee	Chairmanship in other committees
Mr. Gautam Singh Kuthari	Non-Executive Independent Director	4	Yes	3	2	2	2	2
Mr. Vidyut Manubhai Vora*	Non-Executive Independent Director	3	No	1	2	1	Nil	Nil
Ms. Vinati Dev	Non-Executive Independent Director	3	No	2	1	1	Nil	Nil

#Mr. Bhushan Kumar Gupta demised dated 17th Aug 2015.

*Mr. Vidyut Manubhai Vora was appointed in Stakeholders Relationship Committee on 21st August, 2015.

Notes:

- Excludes Private Companies, Foreign Companies and Companies registered under Section 8 of the Companies Act, 2013 for the purpose of considering the limit prescribed under regulation 26(1) (a) of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015.
- For the purpose of reckoning the limit of the Committees on which a Director can serve, the Chairmanship/ Membership of the Audit Committee and the Stakeholders Relationship Committee of all listed and/or unlisted Public Limited Companies only have been considered as prescribed under regulation 26(1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015.
- As per terms of Regulation 34(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015, it is hereby disclosed that Mr. Bhushan Kumar Gupta, Chairman (till date 17th August, 2015) is the father of Mr. Hulas Rahul Gupta, Managing Director. Except for the relationship between Mr. Bhushan Kumar Gupta and Mr. Hulas Rahul Gupta, there is no other inter-se relationship amongst other directors.

(D) Independent Director

The maximum tenure of the independent director is in compliance with the Companies Act 2013 ("Act"). All the Independent Directors have confirmed that they meet the Criteria as mentioned under Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 149 of the Companies Act, 2013.

The terms and condition of the appointment of Independent Directors are disclosed on the website of the Company at www.indosolar.co.in. The details of such familiarization programmes for Independent Directors of the Company are posted on the website of the Company and can be accessed at www.indosolar.co.in

(E) Details of Equity Shares held by the Non- Executive Directors

The details of the Equity Shares held by the Non-Executive Directors as on March 31, 2016 is given below:

Details of Equity Shares held by Non-Executive Directors as on March 31, 2016

S. No.	Name of the Director	No. of Shares held
1	Shri Gautam Singh Kuthari	1,00,000
2	Shri Vidyut Manubhai Vora	47,711

(F) Code of Conduct

The Company has prescribed a Code of Conduct for its directors and senior management. The Code of Conduct of the Company has been posted on the website of the Company www.indosolar.co.in. The directors and senior management personnel have affirmed compliance with the Code during the year ended 31st March 2016. The declaration from the Managing Director stating that as of 31st March 2016, all the board members and the senior management personnel have affirmed compliance with the Code of Conduct of the Company has been included in this report.

3. AUDIT COMMITTEE

The Audit Committee of the Board of Directors of the Company is constituted in line with the provisions of Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 177 of the Act.

(A) Terms of Reference

The terms of reference includes the following as is mandated under Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 177 of the Companies Act, 2013:

1. oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
 - a. matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - b. changes, if any, in accounting policies and practices and reasons for the same;
 - c. major accounting entries involving estimates based on the exercise of judgment by management;
 - d. significant adjustments made in the financial statements arising out of audit findings;
 - e. compliance with listing and other legal requirements relating to financial statements;
 - f. disclosure of any related party transactions;
 - g. modified opinion(s) in the draft audit report;
5. reviewing, with the management, the quarterly financial statement before submission to the board for approval;
6. reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
7. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. approval or any subsequent modification of transactions of the Company with related parties;
9. scrutiny of inter-corporate loans and investments;
10. valuation of undertakings or assets of the Company wherever it is necessary;
11. evaluation of internal financial controls and risk management systems;
12. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. discussion with internal auditors of any significant findings and follow up there on;
15. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. to review the functioning of the whistle blower mechanism;
19. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
20. carrying out any other function as is mentioned in the terms of reference of the audit committee.

(B) The audit committee shall mandatorily review the following information:

1. management discussion and analysis of financial condition and results of operations;
2. statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. management letters / letters of internal control weaknesses issued by the statutory auditors;
4. internal audit reports relating to internal control weaknesses; and
5. the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
6. statement of deviations:
 - a. quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
 - b. annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

(C) Composition, Meetings and Attendance

The composition of the Audit Committee is in compliance with the requirements under Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As on date, it consists of three members, all of them including the Chairman are non-executive independent directors. All members of the Committee are financially literate and have accounting and related financial management expertise.

The Committee invites Chief Financial Officer and Financial Controller of the Company and representative(s) of the Statutory Auditors to attend the meetings of the Audit Committee on a regular basis.

During the financial year 2015-16, the Audit Committee met 4 times on 04th May 2015, 11th August 2015, 03rd November 2015 and 25th January 2016 and necessary quorum was present at all meetings. The attendance of the members is noted below:

Name of the member	Chairman / Member	No. of meetings attended
Mr. Gautam Singh Kuthari	Chairman	3
Mr. Vidyut Manubhai Vora	Member	3
Ms. Vinati Dev	Member	3

4. NOMINATION AND REMUNERATION COMMITTEE

The Board of Directors has constituted Nomination and Remuneration Committee, pursuant to the requirements of Section 178 of the Act read with rules notified thereunder and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Committee's composition and terms of reference meet with the requirements of the above mentioned provisions.

(A) Terms of Reference

The terms of reference includes the following:

1. To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
2. To formulate of criteria for valuation of performance of Independent Directors and the Board of Directors.
3. Devising a policy on diversity of Board of Directors
4. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria to be formulated by the Committee, recommend to the Board their appointment and removal.
5. To identify whether to extend or continue the term of appointment of independent directors, on the basis of the report of performance evaluation of independent directors;

(B) Composition, Meetings and Attendance

The Nomination and Remuneration Committee of the Company consists of three members and all of them are non-executive independent directors.

During the financial year 2015-16, the Nomination and Remuneration Committee met three times on 04th May

2015, 11th August 2015, 03rd November 2015 and necessary quorum was present at all meetings. The attendance of the members is noted below:

Name of the member	Chairman / Member	No. of meetings attended
Mr. Gautam Singh Kuthari	Chairman	2
Mr. Vidyut Manubhai Vora	Member	3
Ms. Vinati Dev	Member	1

(C) Performance Evaluation

The Act states that the formal annual evaluation needs to be done by the Board of its own performance and that of its Committees and individual directors, based on the criteria recommended by the Nomination and Remuneration Committee.

Regulation 17 (10) read with Schedule II to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Schedule IV to the Act provides that the performance evaluation of the Independent Directors shall be done by the entire Board, excluding the director being evaluated, on the criteria formulated by the said Committee. Indicative list of factors that may be evaluated include participation and contribution by a director, commitment, effective deployment of knowledge and expertise, integrity and maintenance of confidentiality.

(D) Remuneration Policy and Remuneration to Directors

(a) All pecuniary relationship and transaction with non-executive directors

The non-executive directors did not have any material pecuniary relationship or transaction with the Company during the year ended 31st March 2016. No stock options were granted to non-executive independent directors during the year under review.

(b) Remuneration paid to Executive and Non-Executive Directors:

(i) Executive Directors:

The remuneration paid to the Executive Directors is subject to the limits laid down under Sections 197, 198 and all other applicable provisions, if any, of the Act read with Rules notified thereunder and Schedule V to the Companies Act, 2013 and in accordance with the terms of appointment approved by the members of the Company.

Details of remuneration paid/ payable to the directors for the year under review are given below:

Name of Director	Salary & Perks (in Rs. lakhs)	Commission (in Rs. lakhs)	Total (Rs. in lakhs)
Mr. Bhushan Kumar Gupta*	50.59	0.00	50.59
Mr. Hulas Rahul Gupta*	134.40	0.00	134.40

*The amount paid was recovered as per the MCA order (please refer the note no. 34(c) of the notes to the financial statement)

(ii) Non-Executive Directors:

The non-executive directors are not paid any remuneration. The Company does not have any material pecuniary relationship or transaction with its non-executive directors. The details are given below:

Name of the non-executive director	Sitting fees (Rs.)
Mr. Gautam Singh Kuthari	NIL
Mr. Vidyut Manubhai Vora	NIL
Ms. Vinati Dev	NIL

5. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Board of Directors has constituted Stakeholders Relationship Committee, pursuant to the requirements of Section 178 of the Act read with rules notified thereunder and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Committee addresses issues relating to the redressal of grievances of shareholders including complaints related to transfer of shares, non-receipt of annual report and other related issues etc. in order to provide timely and efficient service to the stakeholders.

(A) Composition, Meetings and Attendance

The Stakeholder’s Relationship Committee of the Company consists of three members out of which the two members are non-executive independent director and another member is executive director of the Company. The Chairman of the Committee is non-executive independent director.

During the financial year 2015-16, the Stakeholder’s Relationship Committee met four times on 04th May 2015, 11th August 2015, 03rd November 2015 and 25th January 2016 and necessary quorum was present at all meetings. The attendance of the members is noted below:

Name of the member	Chairman / Member	No. of meetings attended
Mr. Gautam Singh Kuthari	Chairman	3
Mr. Hulas Rahul Gupta	Member	4
Mr. Vidyut Manubhai Vora*	Member	1

*Mr. Vidyut Manubhai Vora is appointed w.e.f. 21st August, 2015 in the board meeting.

6. SHARE TRANSFER COMMITTEE

The Board of Directors has constituted Shares Committee comprising of two members viz. Shri Gautam Singh Kuthari and Shri Hulas Rahul Gupta. It exercises the powers relating to transfer of shares, re-materialisation/split/consolidation of share certificates, delegated to it by the Board for the sake of operational convenience. The Committee would perform such other functions as may be delegated by the Board from time to time.

(A) Terms of Reference

The terms of reference includes the following:

1. To approve the request for transfer, transmission, etc. of shares;
2. To approve the dematerialization and re-materialization of shares;
3. To consider and approve, split, consolidation and issuance of duplicate shares; and
4. To review from time to time overall working of the secretarial department of the company relating to the shares of the company and functioning of the share transfer agent and other related matters.

(B) Composition, Meetings and Attendance

The Share Transfer Committee of the Company consists of two members out of which the Chairman is a non-executive independent director and another member is executive director of the Company.

During the financial year 2015-16, the Share Transfer Committee met two times on 11th August 2015 and 14th December 2015. The attendance of the members is noted below:

Name of the member	Chairman / Member	No. of meetings attended
Mr. Gautam Singh Kuthari	Chairman	2
Mr. Hulas Rahul Gupta	Member	2

7. GENERAL BODY MEETINGS

The details of the last three Annual General Meetings of the Company and Special Resolutions passed therein are noted below:

Financial Year	AGM No.	Venue	Day and Date	Time	Whether any Special Resolution Passed
2012-2013	8 th	Surya Garden, Palla Bakhtawarpur Road, Village-Alipur, Delhi-110036	Monday, 30 th September 2013	10.00 AM	No
2013-2014	9 th	Mithas Motel & Resort, 92/16, G. T. Karnal Road, Alipur, Delhi- 110036	Tuesday, 30 th September 2014	10.00 AM	Yes
2014-2015	10 th	Mithas Motel & Resort, 92/16, G. T. Karnal Road, Alipur, Delhi- 110036	Wednesday, 30 th September 2015	09.00 AM	Yes

(A) Postal Ballot

During the year under review, the Company has not passed any resolution through the postal ballot exercise. None of the items to be transacted at the ensuing meeting is required to be passed by postal ballot.

8. MEANS OF COMMUNICATION**(A) Quarterly / Annual Results**

The quarterly/annual results and notices as required under Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are published in the Financial Express in English language and Jansatta in Hindi language.

(B) Posting of Information on the Website of the Company

The quarterly/annual results of the Company, shareholding pattern, the official news releases, etc. are regularly posted on its website www.indosolar.co.in.

9. GENERAL SHAREHOLDERS INFORMATION

- (a) Annual General Meeting** : 11th Annual General Meeting
Day and date : Friday, the 30th September 2016
Time : 9 a.m.
Venue : Mithas Motel & Resort, 92/16, G.T. Karnal Road, Alipur, Delhi-110036
- (b) Financial Calendar for 2016-17 (tentative schedule)**
Financial year : 01st April, 2016 to 31st March, 2017
Board meetings for approval of quarterly results
1st quarter ended on 30th June 2016 : on or before 14th August 2016
2nd quarter ended on 30th September 2016 : on or before 14th November 2016
3rd quarter ended on 31st December 2016 : on or before 14th February 2017
Annual results for financial year ended : on or before 30th May 2017
31st March 2017 (audited)
- (c) Book closure date** : Saturday, 24th day of September 2016 to Friday, 30th day of September 2016 (both days inclusive)
- (d) Dividend payment date** : Not applicable
- (e) Listing on stock exchanges** : The equity shares of the Company are listed on the following stock exchanges in India:
- i. **National Stock Exchange of India Limited (NSE)**
Exchange Plaza, Bandra-Kurla Complex, Mumbai-400050
 - ii. **Bombay Stock Exchange Limited (BSE)**
Phiroze Jeejeebhoy Towers Dalal Street, Mumbai – 400 001
- (f) Stock code for equity shares**
National Stock Exchange of India Limited (NSE) : INDOSOLAR
Bombay Stock Exchange Limited (BSE) : 533257
ISIN : INE866K01015
- (g) CIN** : L18101DL2005PLC134879

(h) Market price data

- i. Monthly high, low quotations and trading volumes of the Company's equity shares during the financial year 2015-16 at NSE and BSE are noted below: (Face value of Rs. 10 each)

Stock Exchange	NSE			BSE			
	Month	High (Rs.)	Low (Rs.)	No. of shares traded	High (Rs.)	Low (Rs.)	No. of shares traded
	Apr. 2015	20.20	14.75	31,483,112	20.20	14.75	10,205,314
	May 2015	19.20	13.90	20,934,149	19.50	13.90	7,926,562
	June 2015	15.90	11.25	20,583,358	15.87	11.45	7,672,147
	July 2015	16.70	12.50	27,725,647	16.70	12.47	8,044,090
	Aug. 2015	14.25	7.70	21,710,205	14.24	7.66	8,022,796
	Sep. 2015	9.90	7.95	9,713,401	9.90	7.97	4,248,051
	Oct. 2015	10.75	8.05	13,636,641	10.74	8.18	5,533,377
	Nov. 2015	10.35	7.15	12,745,310	10.35	7.50	5,390,226
	Dec. 2015	10.15	8.00	12,619,271	10.15	8.15	4,649,975
	Jan. 2016	14.25	9.20	36,784,305	14.20	9.18	10,960,739
	Feb. 2016	9.85	6.90	15,804,535	9.83	6.93	5,059,304
	Mar. 2016	8.95	7.45	11,805,726	9.09	7.49	3,571,308

- ii. Market capitalization:

Market capitalization	NSE	BSE
As on 31 st March 2016 (Rs.)	2,936,666,000	2,929,503,400

- iii. Performance in comparison to BSE Sensex:

Month	BSE Sensex		Indosolar Limited	
	High	Low	High (Rs.)	Low (Rs.)
Apr. 2015	29,094.61	26,897.54	20.20	14.75
May 2015	28,071.16	26,423.99	19.50	13.90
June 2015	27,968.75	26,307.07	15.87	11.45
July 2015	28,578.33	27,416.39	16.70	12.47
Aug. 2015	28,417.59	25,298.42	14.24	7.66
Sep. 2015	26,471.82	24,833.54	9.90	7.97
Oct. 2015	27,618.14	26,168.71	10.74	8.18
Nov. 2015	26,824.30	25,451.42	10.35	7.50
Dec. 2015	26,256.42	24,867.73	10.15	8.15
Jan. 2016	26,197.27	23,839.76	14.20	9.18
Feb. 2016	25,002.32	22,494.61	9.83	6.93
Mar. 2016	25,479.62	23,133.18	9.09	7.49

iv. Performance in comparison to NSE Sensex:

Month	NSE Sensex		Indosolar Limited	
	High	Low	High (Rs.)	Low (Rs.)
Apr. 2015	8,844.80	8,144.75	20.20	14.75
May 2015	8,489.55	7,997.15	19.20	13.90
June 2015	8,467.15	7,940.30	15.90	11.25
July 2015	8,654.75	8,315.40	16.70	12.50
Aug. 2015	8,621.55	7,667.25	14.25	7.70
Sep. 2015	8,055.00	7,539.50	9.90	7.95
Oct. 2015	8,336.30	7,930.65	10.75	8.05
Nov. 2015	8,116.10	7,714.15	10.35	7.15
Dec. 2015	7,979.30	7,551.05	10.15	8.00
Jan. 2016	7,972.55	7,241.50	14.25	9.20
Feb. 2016	7,600.45	6,825.80	9.85	6.90
Mar. 2016	7,749.40	7,035.10	8.95	7.45

(i) **Registrar and share transfer agents**

Link Intime India Private Limited, 44, Community Centre, 2nd Floor, Naraina Industrial Area, Phase-I, Near PVR Naraina, New Delhi-110028, Phone No.-011-41410592-94, Fax No.-011-41410591, E. Mail: delhi@linkintime.co.in, Website: linkintime.co.in, Contact person: Mr. V. M. Joshi-V. P. North India Operations.

(j) **Share transfer system**

Shares lodged for transfer at the Registrar's address are normally processed and approved by Share Transfer Committee on a fortnight basis, provided the documents are complete in all respects. All requests for dematerialization of shares are processed and the confirmation is given to the Depositories within 15 days. Grievances and other miscellaneous correspondence on change of address, mandates etc. received from Members, are processed by the Registrar and Company within 30 days.

Pursuant to Regulation 40(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company obtains certificate from a practicing Company Secretary on half-yearly basis to the effect that all transfers are completed in the statutorily stipulated time period. A copy of the certificate, so received, is submitted to both Stock Exchanges where the shares of the Company are listed.

All communications regarding change of address, transfer of shares and change of mandate (if the shares are held in physical form) can be addressed to our registrar and share transfer agents- Link Intime India Private Limited.

(k) **Shareholding**

(a) The distribution of shareholding of the Company as on 31st March 2016 is as under:

Shareholding of shares	No. of shareholders	% to total shareholders	Total No. of Shares	% to total No. of Shares
001 to 500	30666	54.00	7,194,548	2.01
501 to 1000	10634	18.72	9,036,166	2.52
1001 to 2000	7825	13.78	13,060,749	3.65
2001 to 3000	2177	3.83	5,737,998	1.60
3001 to 4000	1112	1.96	4,126,509	1.15
4001 to 5000	1159	2.04	5,613,324	1.57
5001 to 10000	1649	2.90	12,834,037	3.58
10000 to above	1570	2.76	300,526,669	83.92
Total	56792	100.00	358,130,000	100.00

(b) Shareholding pattern of the Company as on 31st March 2016 is as under:

Category of shareholders	No. of shares of Rs. 10 each	% to total shares
Promoter and Promoter Group	206,481,549	57.66
Financial Institutions/Banks	15,856,923	4.43
Bodies Corporate	15,223,018	4.25
Individual shareholders holding nominal share capital upto Rs. 2 lakh	62,324,885	17.40
Individual shareholders holding nominal share capital in excess of Rs. 2 lakh	47,577,462	13.28
Trusts	17,444	0.01
Non-Resident Indians	2,129,466	0.59
Hindu Undivided Families	5,546,755	1.55
Clearing Members	2,972,498	0.83
TOTAL	358,130,000	100.00

(l) Dematerialization of shares and liquidity

The shares of the Company are available for trading in the depository system of both National Security Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on 31st March 2016, 358,128,396 equity shares of Rs. 10/- each forming 99.99% of the share capital of the Company stands dematerialized. The entire equity shares of the Company are listed at NSE and BSE and thus are liquid.

(m) Outstanding GDRs / ADRs / Warrants or any convertible instruments, conversion date and likely impact on equity

The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments.

(n) Plant locations

3C/1, Ecotech-II, Udyog Vihar, Greater Noida-201306, Uttar Pradesh

(o) Status of investors' complaints

The status of investors' complaints as on 31st March 2016 is as follows:

Number of complaints as on 1 st April 2015	Nil
Number of complaints received during the Financial Year 2015-16	Nil
Number of complaints resolved upto 31 st March 2016	Nil
Number of complaints pending as on 31 st March 2016	Nil

There were no pending requests for transfer of shares of the Company as on 31st March 2016.

(p) Name, designation and contact details of Compliance Officer

Mr. Manish Gupta, Company Secretary, is the Compliance Officer of the Company. The Compliance Officer can be contacted at:

Indosolar Limited
3C/1, Ecotech-II, Udyog Vihar
Greater Noida-201306, Uttar Pradesh
Tel. No. : +91-120-4762500; Fax No.: +91-120-4762525
E. mail: investors@indosolar.co.in and secretarial@indosolar.co.in

(q) Address for correspondence

Corporate Office

Indosolar Limited
3C/1, Ecotech-II, Udyog Vihar
Greater Noida-201306, Uttar Pradesh
Tel. No. : +91-120-4762500; Fax No.: +91-120-4762525
E. mail: investors@indosolar.co.in and secretarial@indosolar.co.in

10. OTHER DISCLOSURES

(A) Disclosure on Materially Significant Related Party Transactions

Materially Significant Related Party Transactions during the financial year 2015-16, that may have potential conflict with the interest of the Company at large. The details of the related party transactions as per Accounting Standard-18 form part of Notes to Accounts.

The Company's Policy on Related Party Transactions is available on the Company's Website i.e. www.indosolar.co.in.

There were no materially significant related party transactions that may have potential conflict with the interests of Company at large. Details of all other related party transactions i.e. transactions of the company, with its promoters, the Directors or the management, their subsidiaries or relatives etc. are present under Note no 34 to Financial Statement.

(B) Non-compliance/strictures/penalties

There were no instances of non-compliance by the Company on any matter related to capital markets and therefore, no penalties and/or strictures have been imposed on the Company or Board of Directors by any Stock Exchange or SEBI or any statutory authority during the last three years.

(C) Vigil Mechanism / Whistle Blower Policy

The Company promotes the ethical behaviour in all its business activities and has put in place a mechanism for importing the illegal or unethical behaviour. The Company has a Vigil Mechanism/ Whistle Blower Policy under which the employees are free to report violations of applicable laws and regulations and the Code of Conduct .During the Year under review, no employee approached the Nodal Officer or MD or Chairman Audit Committee. The policy is available on the Company Website www.indosolar.co.in.

(D) Subsidiary Companies

The Company does not have any subsidiary as on 31st March 2016.

(E) Familiarization Program for the Board Members

The Board Members are provided with necessary documents and policies to enable them to familiarize themselves with the Company's procedures and practices. Periodic presentations are made to the Board on business and performance of the Company. The details of such familiarization programmes for Independent Directors of the Company are posted on the website of the Company www.indosolar.co.in.

(F) Risk Management

Risk evaluation and management is an ongoing process within the organization. The Company has in place a risk management framework under which risks are identified across all business processes of the Company on a continuous basis. Once identified, these risks are systematically categorized as strategic risks, business risks or reporting risks.

(G) Reconciliation of Share Capital

A qualified practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the national securities depository limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.

(H) Code Practices and Procedure for the Fair Disclosure of unpublished price sensitive information and code of conduct to regulate , monitor and report trading by the insider under SEBI (Prohibition of Insider Trading) Regulations 2015

In compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015 and SEBI Circular No. CIR/ISD/01/2015 dated May 11, 2015; the Company has formulated and published on its official website i.e. www.indosolar.com "Code of Fair Disclosure" and "Code of Conduct for Prevention of Insider Trading". All concerned have affirmed their compliance with the said Code during the year under review. As required, a declaration to this effect by the Chairman & Managing Director of the Company is annexed to this report.

(I) Related Party Transactions

The Board of Directors of the Company has approved and adopted a 'Policy for Related Party Transactions' and the same has been uploaded on the website of the Company and can be accessed at: <http://www.indosolar.co.in>

(J) Details of Non-compliance with regard to Capital Market

With regard to the matters related to capital market, the Company has complied with all the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as SEBI regulations. No penalties were imposed or strictures passed against the Company by the stock Exchanges, SEBI or any other statutory authority during the last three years in this regard.

(K) Details of Compliance with Mandatory Requirements and Adoption of Non-mandatory Requirements

The Company has complied with all the mandatory requirements as mandated under Regulation 27 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(L) Details of Unclaimed Shares in terms of Regulation 39(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

In terms of Regulation 39(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has opened a separate demat suspense account named as "INDOSOLAR LIMITED UNCLAIMED SUSPENSE ACCOUNT" and credited the shares of the Company which are remaining unclaimed by the shareholders allotted pursuant to the Initial Public Offering (IPO).

The details of such unclaimed shares as on 31st March 2016 are set out below:

Particulars	No. of Cases	No. of Shares of Rs. 10 each
Aggregate number of shareholders and outstanding shares in the suspense account lying on 1 st April 2015	01	3,385
Number of shareholders who approached to the Company /registrar for transfer of shares from suspense account upto 31 st March 2016	0	0
Number of shareholders to whom shares were transferred from suspense account upto 31 st March 2016	0	0
Aggregate number of shareholders and outstanding shares in the suspense account lying at the end of the year, i.e. as on 31 st March 2016	01	3,385
The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.		

The shareholders who have not so far received their shares allotted to them in the IPO are requested to contact by writing to the Company and / or the Registrar and Share Transfer Agents of the Company alongwith necessary documents.

COMPLIANCE CERTIFICATE ON CONDITIONS OF CORPORATE GOVERNANCE

INDOSOLAR LIMITED
C-12 Friends Colony (East)
New Delhi-110065

We have examined all relevant records of Indosolar Limited (the Company) for the purpose of certifying of the conditions of the Corporate Governance under Clause 49 of the Listing Agreement with Stock Exchanges up to 30.11.2015 and Regulations 15(2), of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 effective from 01.12.2015 for the financial year ended 31st March 2016. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

On the basis of our examination of the records produced explanations and information furnished, we certify that the Company has complied with the conditions of Clause 49 of the Listing Agreement up to 30.11.2015 and Regulations 15(2), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 effective from 01.12.2015.

For Chandrasekaran Associates
Company Secretaries

Shashikant Tiwari
Partner

(Membership No. ACS 28994, CP 13050)

Place : Delhi
Date : 08.08.2016

DECLARATION REGARDING COMPLIANCE BY BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL WITH THE COMPANY'S CODE OF CONDUCT

This is to confirm that the Company has adopted a Code of Conduct for its employees including the Managing Director. In addition, the Company has adopted a Code of Conduct for its Non-Executive Directors and Independent Directors. These Codes are available on the Company's website.

I confirm that the Company has in respect of the year ended March 31, 2016, received from the Senior Management Team of the Company and the Members of the Board a declaration of compliance with the Code of Conduct as applicable to them.

H.R. GUPTA
Managing Director
DIN: 00297722

Place : Greater Noida
Date : August 08, 2016

CHIEF EXECUTIVE OFFICER (CEO) & CHIEF FINANCIAL OFFICER (CFO) CERTIFICATE

We, Hulas Rahul Gupta (DIN: 00297722), Managing Director and Anand Kumar Agarwal, Chief Financial Officer of INDOSOLAR LIMITED, to the best of our knowledge and belief hereby certify that:

- (a) We have reviewed financial statements and the cash flow statement for the year ended 31st March 2016 and:
- (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- (b) There are no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, and steps taken or proposed to be taken to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee:
- (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

H.R. GUPTA
Managing Director
DIN: 00297722

A.K. AGARWAL
Chief Financial Officer
PAN: AAAPA0706B

Place : Greater Noida
Date : August 08, 2016

INDEPENDENT AUDITOR'S REPORT

To the Members of Indosolar Limited

1. Report on the Financial Statements

We have audited the accompanying financial statements of Indosolar Limited ("the Company"), which comprise the balance sheet as at 31 March 2016, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

2. 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 Companies Act 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the financial statements.

4. Basis for Qualification

- a) The Company has continued to incur significant losses in the current year resulting in further erosion of its net worth which had already been fully eroded during the year ended 31 March 2014. Further, the Company has not met its liabilities due on the first corporate debt restructuring package (Rs. 59,444.58 lakhs) and on account of purchase of materials and capital goods (Rs. 6,452.78 lakhs). Further, an amount of Rs. 10,077.50 lakhs will become payable by 31 March 2017. Due to continued liquidity issues, the Company approached the consortium bankers for a second corporate debt restructuring package on the basis of a techno economic viability study conducted by an external expert. Consortium bankers in their joint lenders meeting has decided that banks' are not considering second restructuring proposal as of now and exploring the possibility of sale to Asset Restructuring Company and/or to invoke change in management.
- 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 getting orders and hence continuation of commercial production. Based on the current orders in hand (approx. 71 MW), the Company expects to operate at the significant level of capacity till July 2016. The note of the Statement also expands on certain measures taken/expected to be announced by the Government to support domestic manufacturers in India including the domestic content requirement etc.
- c) The Company's claim to it being eligible for certain capital incentives is still under litigation and the outcome will

be known upon the conclusion of the litigation. Also refer note 40 to the financial statement.

- d) The dispute with MP Urja regarding the turnkey contract and the likely impact of the customers claim is uncertain. Also refer note 41 to the financial statements.
- e) The Company has not been able to meet its commitment to Special Economic Zone on the basis of which the Company imported certain raw material and machinery without payment of custom duty. Also refer note 33 to the financial statements.

On the basis of the overall evaluation of the above factors and considering the domestic content requirements and other expression of interests issued by certain Public Sector Units, procurement of recent orders and resumption of production in the second quarter of year ended 31 March 2016, 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 High Court of Delhi in relation to the Company's 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 31 March 2016 and that 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 fact that the impact of the government decisions would be known only in future, the uncertainty of outcome of claims, uncertainty regarding the second corporate debt restructuring and uncertainty on the ability of the Company to meet its export obligations create material uncertainties. Therefore, the quantum of impairment in respect of carrying value of fixed assets cannot be determined at present and material uncertainties exist regarding the use of going concern assumption in preparing the financial statements.

5. Qualified opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31 March 2016, its loss and its cash flows for the year ended on that date.

6. Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ('Order'), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.

As required by section 143(3) of the Act, we report that:

- a. We have sought and, except for the matters described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b. except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, 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, and the cash flow statement dealt with by this Report are in agreement with the books of account;
- d. except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;
- f. on the basis of written representations received from the directors as on 31 March 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164(2) of the Act;
- g. 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 B; and
- h. 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, 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 39 and note 40 to the financial statements;
- ii. the Company did not have any long term contracts including derivative contracts for which there were any foreseeable losses; and
- iii. the Company did not have any dues on account of Investor Education and Protection Fund.

For **B S R & Co. LLP**

Chartered Accountants

Firm's registration number: 101248W/W-100022

Rajiv Goyal

Partner

Membership number: 094549

Place: Gurgaon
Date: 30 May 2016

Annexure-A to the Auditors' report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2016. We report that:

- (i) (a) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) According to the information and explanations given to us, the Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified annually. In our opinion, the frequency of physical verification is reasonable having regard to the size of the Company and nature of its assets. As informed to us, no discrepancies have been noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deed of the immovable properties are held in the name of the Company.
- (ii) According to the information and explanations given to us, the inventories have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable and no material discrepancies were noticed.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, Paragraph 3 (iii) (a), (b) and (c) of the Order are not applicable.
- (iv) The Company has not given any loans, or made any investments, or provided any guarantee, or security as specified under section 185 and 186 of the Act. Accordingly, Paragraph 3(iv) of the Order is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits from the public during the year.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by Central government for maintenance of cost records under section 148(1) of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, sales tax, duty of customs duty of excise, value added tax, cess and other material statutory dues have generally been regularly deposited during the year with the appropriate authorities. In respect of income tax and service tax, the amounts have not been regularly deposited with the appropriate authorities and there have been delays in number of cases.
According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service, tax duty of excise, duty of custom, value added tax, cess and other material statutory dues were in arrears as at 31 March 2016 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, and on the basis of the records of the Company examined by us, there are no dues of income tax, sales tax, duty of customs, duty of excise and value added tax which have not been deposited with the appropriate authorities on account of any dispute except as mentioned below:

Name of the statute	Nature of the dues	Amount in rupees (lakhs)*	Period to which the amount relates	Forum where dispute is pending
Finance Act, 1994	Service tax	25.60	2010-2011	Commissioner of Service tax
Finance Act, 1994	Service tax	161.06	2011-2012	Commissioner of Service tax
Finance Act, 1994	Service tax	20.10	2012-2013	Commissioner of Service tax
Finance Act, 1994	Service tax	11.52	2013-2014	Commissioner of Service tax

*Subsequent to the year end, the Company has paid Rs. 11.61 lakhs as payment under protest.

- (viii) In our opinion and according to the information and explanations given to us, and based on our examination of the books of account and related records, the Company has defaulted in repayment of dues to its bankers as disclosed below. The Company did not have any outstanding dues to financial institutions, government and debenture holders during the year.

Nature of the lender	Nature of dues	Amount in rupees (lakhs)	Period to which it relates
Andhra Bank	Interest	5,969.84	July 2013- March 2016
Andhra Bank	Principal	6,882.66	October 2013- March 2016
Bank of Baroda	Interest	3,995.76	July 2013- March 2016
Bank of Baroda	Principal	2,505.34	October 2013- March 2016
Corporation Bank	Interest	5,333.64	April 2013- March 2016
Corporation Bank	Principal	5,267.48	October 2013- March 2016
Indian Bank	Interest	3,837.44	April 2013- March 2016
Indian Bank	Principal	2,015.71	October 2013- March 2016
Union Bank of India	Interest	11,063.21	April 2013- March 2016
Union Bank of India	Principal	12,573.50	October 2013- March 2016

- (ix) According to the information and explanations given to us, the Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and the term loans during the year. Accordingly, Paragraph 3(ix) is not applicable.
- (x) According to the information and explanations given to us, no material fraud by or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us, and based on our examination of the records of the Company, the Company has accrued/paid managerial remuneration which was in excess of the limits specified in Schedule V read with Section 197 of the Act. The Company had filed applications with the Central Government for regularizing the payments of managerial remuneration. Subsequent to the year end, the Company received letters from Central Government rejecting such applications. Accordingly, the Company has recovered the managerial remuneration paid in year ended 31 March 2016 of Rs. 184.99 lakhs and in previous year of Rs. 147.84 lakhs by adjusting the payable balances of directors.
- (xii) According to the information and explanations given to us, the Company is not a nidhi company. Accordingly, Paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, there are no transactions with the related parties which are not in compliance with Section 177 and 188 of the Act and the details have been disclosed in the Financial Statements, as required, by the applicable accounting standards.
- (xiv) According to the information and explanation given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

- (xv) According to information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, Paragraph 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **B S R & Co. LLP**
Chartered Accountants
Firm's registration number: 101248W/W-100022

Rajiv Goyal
Partner

Place: Gurgaon
Date: 30 May 2016

Membership number: 094549

Annexure B to the Independent Auditor's Report

Report on the Internal Financial Controls 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 Indosolar Limited ("the Company") as on 31 March 2016 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 Company's management 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 ('ICAI'). 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 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 judgment, 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 audit opinion on the Company's internal financial controls system over financial reporting.

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.

Opinion

In our opinion, 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 31 March 2016, 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.

For B S R & Co. LLP

Chartered Accountants

Firm's registration number: 101248W/W-100022

Rajiv Goyal

Partner

Membership number: 094549

Place: Gurgaon
Date: 30 May 2016

BALANCE SHEET AS AT 31 MARCH 2016

(All amounts in Rupees lakhs, unless otherwise stated)

	Note	As at 31 March 2016	As at 31 March 2015
Equity and Liabilities			
Shareholders' funds			
(a) Share capital	2	36,763.00	36,763.00
(b) Reserves and surplus	3	(60,591.77)	(46,464.57)
		(23,828.77)	(9,701.57)
Non-current liabilities			
(a) Long-term borrowings	4 and 6	49,319.79	59,776.34
(b) Long-term provisions	7	28.62	25.57
		49,348.41	59,801.91
Current liabilities			
(a) Short-term borrowings	5	6,892.38	8,739.12
(b) Trade payables :			
(A) total outstanding dues of micro enterprises and small enterprises (Refer note 42)		148.56	77.85
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		3,633.38	1,053.17
(c) Other current liabilities	8	73,997.91	52,495.53
(d) Short-term provisions	7	25.67	12.24
		84,697.91	62,377.91
TOTAL		110,217.55	112,478.25
Assets			
Non-current assets			
(a) Fixed assets			
(i) Tangible assets	9(a)	44,540.85	46,992.41
(ii) Intangible assets	9(b)	6.92	0.53
(iii) Capital work-in-progress	9(c)	59,653.92	57,423.09
		104,201.69	104,416.03
(b) Long-term loans and advances	10	827.10	943.17
(c) Other non-current assets	11	146.40	205.41
		105,175.19	105,564.61
Current assets			
(a) Inventories	12	2,633.90	2,223.70
(b) Trade receivables	13	348.78	156.54
(c) Cash and bank balances	14	83.92	2,450.88
(d) Short-term loans and advances	10	1,926.32	2,029.92
(e) Other current assets	11	49.44	52.60
		5,042.36	6,913.64
TOTAL		110,217.55	112,478.25

Significant accounting policies

1

The accompanying notes form an integral part of the financial statements

2 to 43

As per our report attached

For B S R & Co. LLP

Chartered Accountants

Firm registration number: 101248W/W-100022

For and on behalf of the Board of Directors of
Indosolar Limited

Rajiv Goyal

Partner

Membership No.: 094549

H.R. Gupta

Managing Director

DIN:00297722

Gautam Singh Kuthari

Director

DIN:00945195

Anand Kumar Agarwal

Chief Financial Officer

Manish Gupta

Company Secretary

Place: Gurgaon

Date: 30 May 2016

Place: Greater Noida

Date: 30 May 2016

Statement of Profit and Loss for the year ended 31 March 2016

(All amounts in Rupees lakhs, unless otherwise stated)]

	Note	For the year ended 31 March 2016	For the year ended 31 March 2015
Revenue from operations			
Sale of product (gross)	15	25,740.93	29,193.54
Less : excise duty		-	0.27
Sale of product (net)		25,740.93	29,193.27
Other operating revenue	15	27.18	404.01
Other income	16	215.91	392.16
Total revenue		25,984.02	29,989.44
Expenses			
Cost of material consumed	17	18,778.14	18,542.47
Purchase of stock in trade	18	302.35	326.01
Change in inventories of finished goods and work in progress	19	72.33	986.11
Employee benefits expenses	20	1,037.88	1,038.53
Other expenses	21	4,742.48	3,931.56
Total expenses		24,933.18	24,824.68
Profit before finance costs and depreciation/amortisation expense		1,050.84	5,164.76
Finance costs	22	12,520.96	10,283.43
Depreciation and amortisation expense	23	2,657.08	2,698.34
Loss for the year		(14,127.20)	(7,817.01)
(Loss) per equity share (par value Rs. 10 per share)	24		
- Basic		(3.94)	(2.26)
- Diluted		(3.94)	(2.26)

Significant accounting policies

1

The accompanying notes form an integral part of the financial statements

2 to 43

As per our report attached

For B S R & Co. LLP

Chartered Accountants

Firm registration number: 101248W/W-100022

For and on behalf of the Board of Directors of
Indosolar Limited

Rajiv Goyal

Partner

Membership No.: 094549

H.R. Gupta

Managing Director

DIN:00297722

Gautam Singh Kuthari

Director

DIN:00945195

Anand Kumar Agarwal

Chief Financial Officer

Manish Gupta

Company Secretary

Place: Gurgaon

Date: 30 May 2016

Place: Greater Noida

Date: 30 May 2016

Cash Flow Statement for the year ended 31 March 2016

(All amounts in Rupees lakhs, unless otherwise stated)

	For the year ended 31 March 2016	For the year ended 31 March 2015
A. Cash flow from operating activities		
Loss before tax	(14,127.20)	(7,817.01)
Adjustments for:		
Depreciation	2,657.08	2,698.34
Loss on sale of fixed assets	11.52	-
Interest expense	12,520.96	10,090.82
Interest income from fixed deposits	(65.82)	(136.56)
Interest on income tax refund	-	(2.00)
Provisions/ liabilities no longer required written back	(125.79)	(361.70)
Provision for doubtful debts	48.68	50.00
Bad debts written off	125.79	-
Unrealised exchange loss (net)	16.54	179.78
Operating profit before working capital changes	1,061.76	4,701.67
Changes in operating assets and liabilities:		
(Decrease)/increase in provisions	16.48	19.79
(Decrease)/increase in trade payables	2,762.16	532.38
Decrease in other assets	49.43	49.44
Decrease/(Increase) in trade receivables	(368.69)	295.06
Decrease/(increase) in inventories	(410.20)	1,448.71
(Increase)/decrease in loans and advances	114.06	(890.81)
Increase in other current liabilities	(1,596.09)	1,728.24
Cash used from operations	1,628.91	7,884.48
Direct taxes (paid)/refund received	(11.35)	18.42
Net cash used from operations	1,617.56	7,902.91
B. Cash flow from investing activities		
Purchase of fixed assets including CWIP and capital advances	(1,827.02)	(7,850.64)
Proceeds from sale of fixed asset	153.29	-
Proceeds from maturity of fixed deposits	1,403.19	6,772.74
Amount invested in fixed deposit	-	(5,785.25)
Interest received	93.56	742.95
Net cash used from investing activities	(176.98)	(6,120.21)

	For the year ended 31 March 2016	For the year ended 31 March 2015
C. Cash flow from financing activities		
Proceeds from issue of share capital	-	1,445.32
Proceeds from loan taken	-	3,251.42
Repayment of loans	(2,225.78)	(5,122.70)
Interest paid	(163.57)	(529.50)
Net cash generated from financing activities	(2,389.35)	(955.46)
Net increase in cash and cash equivalents	(948.77)	827.24
Opening cash and cash equivalents	1,027.59	200.35
Closing cash and cash equivalents	78.82	1,027.59
Cash and cash equivalent comprises:		
Cash in hand	1.15	4.81
Balances with scheduled banks	77.67	1,022.78
	78.82	1,027.59

Notes:

- (a) The above cash flow statement has been prepared in accordance with the 'Indirect method' as set out in the Accounting Standard 3 – Cash Flow Statements as specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (b) Significant accounting policies and the accompanying notes form an integral part of the cash flow statement.

As per our report attached

For B S R & Co. LLP

Chartered Accountants

Firm registration number: 101248W/W-100022

Rajiv Goyal

Partner

Membership No.: 094549

For and on behalf of the Board of Directors of
Indosolar Limited

H.R. Gupta

Managing Director

DIN:00297722

Gautam Singh Kuthari

Director

DIN:00945195

Anand Kumar Agarwal

Chief Financial Officer

Manish Gupta

Company Secretary

Place: Gurgaon

Date: 30 May 2016

Place: Greater Noida

Date: 30 May 2016

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(All amounts in Rupees lakhs, unless otherwise stated)

Company Overview

Indosolar Limited is a public company domiciled and headquartered in India. The Company's shares are listed on the National Stock Exchange (NSE) and Bombay Stock Exchange (BSE). The Company is the leading Indian manufacturer of solar photovoltaic cells and its manufacturing facility is located at Greater Noida, Uttar Pradesh.

1. Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

i. Basis of preparation

These financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or are vision to an existing accounting standard requires a change in the accounting policy hitherto in use. The financial statements are presented in Indian rupees rounded off to the nearest lakhs.

The Company has continued to incur losses in the current year ended 31 March 2016 resulting in further erosion of its net worth which had already been fully eroded during the year ended 31 March 2014. Accordingly the Company had, during the year ended 31 March 2015, made reference to Board of Industrial and Financial Reconstruction (BIFR) vide its letter dated 25 November 2014 in accordance with the requirements of Sick Industrial Companies Act, 1985.

The Company had received a letter from BIFR stating that the product "SOLAR PHOTOVOLTAIC CELL" manufactured by the Company does not feature in the first schedule of Industries Development and Regulation Act, 1951. However, the Company had submitted that such product is covered under the heading 5(1) of the first schedule of Industries Development and Regulation Act, 1951. No further communication has been received from BIFR till date.

As on 31 March 2016, the current liabilities exceed the current assets by Rs 79,472.87 lakhs, including an amount of Rs. 59,444.59 lakhs which is payable as per the terms of the first Corporate Debt Restructuring (CDR) package. Further, an amount of Rs. 10,077.50 lakhs will become payable by 31 March 2017. The above mentioned current liabilities includes, outstanding liabilities for purchase of raw material and capital goods amounting to Rs. 6,452.78 lakhs. Due to continued liquidity issues, the Company had approached the bankers for a second Corporate Debt Restructuring Package on the basis of a techno economic viability study conducted by an external expert. During the year ended 31 March 2016, consortium bankers in their joint lenders meeting has decided that banks' are not considering second restructuring proposal as of now and exploring the possibility of sale to Asset Restructuring Company and/or to invoke change in management.

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 four years, had recommenced the commercial production from August 2015. Based on orders in hand of approximately 71 MW as on 31 March 2016, the Company expects to operate at the significant level of capacity at least till July 2016.

During the current year, World Trade Organization (WTO) issued the ruling against India's Solar Policy to promote domestically manufactured power equipment. Government of India has filed an appeal against the said ruling. However, in management's view, the ruling of WTO is not applicable in case of government purchases. Accordingly, the government is issuing tenders through Public Sector Undertakings to support domestic manufacturers and till date has issued tenders for supply of 2,557 MW to be installed within a period of one year. The management believes that in light of these tenders, the Company will be able to utilize significant capacity for the year ending 31 March 2017.

ii. Use of estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, incomes and expenses and disclosure of contingent

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(All amounts in Rupees lakhs, unless otherwise stated)

liabilities on the date of the financial statements. Examples of estimates among others includes provision for doubtful debts, provision of future obligations under employee retirement benefit plans, estimated useful life of fixed assets, provision for warranties and sales returns, customer claims, provision for price change and estimates of future cash flow for impairment testing. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognized in accordance with the requirements of the respective Accounting Standard, generally prospectively, in current year and future periods.

iii. Current and non-current classification

All assets and liabilities are classified into current and non-current.

Assets

An asset is classified as current when it satisfies any of the following criteria:

- a. it is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- b. it is held primarily for the purpose of being traded;
- c. it is expected to be realized within 12 months after the reporting date; or
- d. it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.

Liabilities

A liability is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in the Company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within 12 months after the reporting date; or
- (d) the Company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realization in cash or cash equivalents.

iv. Revenue recognition*Sale of goods*

Revenue from sale of goods in the course of ordinary activities is recognized when property in goods or all significant risks and rewards of their ownership are transferred to the customers and no significant uncertainty exist regarding the amount of the consideration that will be derived from the sale of the goods and regarding its collection. The amount recognized as revenue is exclusive of duties, taxes and is net of returns and discounts.

Interest income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

v. Fixed assets*Tangible fixed assets*

Tangible fixed assets are carried at cost of acquisition or construction less accumulated depreciation and/ or accumulated impairment loss, if any. The cost of an item of tangible fixed assets comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(All amounts in Rupees lakhs, unless otherwise stated)

asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at purchase price.

Exchange differences (favorable as well as unfavorable) arising in respect of transaction/settlement of long term foreign currency borrowing attributable to the acquisition of depreciable asset are also included in the cost of the asset.

Cost of assets not ready for use and administration and other general overhead expenses that are directly attributable to the construction activity of specific asset until commissioning of such assets, are disclosed as Capital work in progress.

Intangible fixed assets

Intangible assets that are acquired by the Company are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less accumulate amortization and any accumulated impairment loss.

Subsequent expenditure is capitalized only when it increases the future economic benefits from the specific assets to which it relates.

vi. Depreciation

Tangible fixed assets

Depreciation on tangible fixed asset is provided on straight-line method over the estimated useful life of each asset as determined by the management.

Pursuant to the Act, the Company has aligned the depreciation rates based on the useful life as specified Part C of Schedule-II to the Act, except for certain items of plant and machinery which have been depreciated over the life of 25 years and for machinery spares which have been depreciated over life of pro rata basis where the management estimate of useful is higher/shorter than the envisaged in the aforesaid schedule. Based on internal technical evaluation and external advised received, the management believes that the useful lives as considered for arriving at the depreciation rates, best represent the period over which management expect to use these assets.

Depreciation on addition to fixed assets is provided on pro rata basis from the date on which is ready for use. Depreciation on sale/deduction from fixed assets is provided for up to the date of sale/deduction, as the case may be.

Leasehold land is amortized on straight line basis over the period of lease i.e. 90 years.

Intangible fixed assets

Intangible assets representing computer software are depreciated over a period of 5 years on a pro rata basis.

vii. Impairment

The carrying amounts of the Company's assets are reviewed at each reporting date in accordance with Accounting Standard-28 'Impairment of assets' to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated as higher of its net selling price and value in use. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the Statement of Profit and Loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortization, had no impairment loss been recognized.

viii. Borrowing costs

Borrowing costs are interest and other costs (including exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred by the Company in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalized. Other borrowing costs are recognized as expense in the period in which they are incurred. In determining the amount of borrowing costs eligible for capitalization during a period, any income earned on the temporary investment of those borrowings is deducted from the borrowing costs incurred.

Expenses incurred on commitment charges and other ancillary costs related to availing of loan facility or loan commitment from banks are amortized over the period of loan commencing from the first drawdown of such loans. Until such commencement of amortization, they are disclosed in the financial statements as unamortized borrowing cost.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(All amounts in Rupees lakhs, unless otherwise stated)

ix. Operating leases

Lease rental in respect of assets taken on operating lease are charged to the Statement of Profit and Loss on straight-line basis over the lease term.

x. Inventories

Inventories which comprise raw materials, finished goods, stock-in-trade and stores and spares are carried at the lower of cost and net realizable value.

Cost of inventories comprises of all cost of purchase including duties and taxes other than those subsequently recovered by the enterprise from the tax authorities, freight inward, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

Cost is determined on the basis of first-in first-out method. In the case of manufactured inventories fixed production overheads are allocated on the basis of normal capacity of production facilities. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of finished products will exceed their net realizable value.

The comparison of cost and net realizable value is made on an item-by-item basis.

Obsolete and slow moving inventories are identified at the time of physical verification of inventories and, where necessary, a provision for obsolescence is recognized or the same is written-off.

Consumables stores are charged to the Statement of profit and loss at the point of purchase.

Stock of scrap and waste is valued at estimated realizable value. Machinery spares that are of regular use are charged to Statement of Profit and Loss as and when consumed.

xi. Foreign currency transactions

Foreign exchange transactions are recorded at the exchange rates prevailing at the date of transaction. Realized gains and losses on foreign exchange transactions during the year are recognized in the Statement of Profit and Loss. Monetary assets and monetary liabilities that are determined in foreign currency are translated at the exchange rate prevalent at the date of Balance Sheet. The resulting difference is recorded in the Statement of Profit and Loss.

In accordance with Accounting Standard 11, "Accounting for the effects of changes in foreign exchange rates", exchange differences arising in respect of long term foreign currency monetary items used for acquisition of depreciable capital asset, are added to or deducted from the cost of asset, till it is capitalized, and are depreciated over the balance life of asset.

In respect of forward exchange contracts taken by the Company for hedging purposes, the premium or discount on such contracts is amortized as income or expense over the life of the contract. Any profit or loss arising on the cancellation or renewal of forward contracts is recognized as an income or expense for the period. The exchange difference on such a forward exchange contract is calculated as the difference between-

- (a) the foreign currency amount of the contract translated at the exchange rate at the Balance Sheet date, or the settlement date where the transaction is settled during the reporting period; and
- (b) the same foreign currency amount translated at the later of the date of inception of the forward exchange contract and the last reporting date. Such exchange differences are recognized in the Statement of Profit and Loss in the reporting period in which the exchange rates change.

xii. Employee benefits

The Company's obligations towards various employee benefits have been recognized as follows:

Short-term employee benefits:

All employee benefits payable wholly within twelve months of rendering service are classified as short-term employee benefits. These benefits includes salaries and wages, allowances, bonus and ex-gratia, short-term compensated absences and the expected cost of other benefits is recognized in the period in which the employee renders the related service.

Post-employment benefits:

- Defined contribution plan

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(All amounts in Rupees lakhs, unless otherwise stated)

A defined contribution plan is a post-employment plan under which an entity pays specified contribution to separate entity and have no obligation to pay further amount. The Company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Company's contribution to defined contribution plans is recognized as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.

- **Defined benefit plans**

The Company's gratuity benefit scheme is a defined benefit plan. The present value of obligation under such defined benefit plan is determined based on actuarial valuation carried at the year end using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date, having maturity periods approximating to the terms of related obligations. Actuarial gains and losses are recognized immediately in the Statement of Profit and Loss.

- **Other long term employee benefit:**

As per the Company's policy, eligible leaves can be accumulated by the employees and carried forward to future periods to either be utilized during the service, or encashed. The Company accounts for the liability for compensated absences payable in future and long service awards based on an independent actuarial valuation using the projected unit credit method as at the year end. Actuarial gains and losses are recognized immediately in the Statement of Profit and Loss.

xiii. Taxation

Income tax is accrued in the same period in which the related revenue and expense arise. Income tax expenses comprise current tax (i.e. the amount of tax for the period determined in accordance with the Income-tax Act, 1961) and deferred tax charge or credit (reflecting the tax effects of the timing differences between the accounting income and taxable income for the period). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in the future, however, where there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Deferred tax assets are reviewed at each Balance Sheet date and written down or written up to reflect the amount that is reasonably/ virtually certain (as the case may be) to be realized.

Deferred tax consequences of timing differences that originate in the tax holiday period and reverse after the tax holiday period are recognized in the period in which the timing differences originate.

xiv. Earnings per share

Basic earnings per share is computed by dividing the net profit or loss for the year attributable to equity shareholders by the number of equity shares outstanding at the end of the year. For the purpose of calculating diluted earnings per share, net profit or loss for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effect of all dilutive potential equity shares except where the results would be anti-dilutive.

xv. Provisions and contingencies

The Company recognizes a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible but not probable obligation or a present obligation that may, but probably will not, entail an outflow of resources. When there is an obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

xvi. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and fixed deposits with banks with an original maturity of three months or less.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(All amounts in Rupees lakhs, unless otherwise stated)

2 SHARE CAPITAL

	As at 31 March 2016	As at 31 March 2015
Authorised share capital		
400,000,000 (Previous year 400,000,000) equity shares of Rs. 10 each	40,000.00	40,000.00
100,000,000 (Previous year 100,000,000) preference shares of Rs. 10 each	10,000.00	10,000.00
Issued, subscribed and paid up shares		
358,130,000 (Previous year 358,130,000) equity shares of Rs. 10 each	35,813.00	35,813.00
9,500,000 (Previous year 9,500,000) preference shares of Rs. 10 each	950.00	950.00
	36,763.00	36,763.00

a. Reconciliation of shares outstanding at the beginning and at the end of the reporting period:

Equity shares	As at 31 March 2016		As at 31 March 2015	
	Number ('000)	Amount	Number ('000)	Amount
At the beginning of the year	358,130.00	35,813.00	335,144.03	33,514.40
Add : Fresh issue of share	-	-	22,985.97	2,298.60
At the end of the year	358,130.00	35,813.00	358,130.00	35,813.00
Preference shares				
At the beginning of the year	9,500.00	950.00	9,500.00	950.00
Add : Fresh issue of share	-	-	-	-
At the end of the year	9,500.00	950.00	9,500.00	950.00

b. Term and rights attached to shares:

Equity shares

The Company has only one type of equity share having par value of Rs. 10. All shares rank pari passu with respect to dividend, voting rights and other terms. Each shareholder is entitled to one vote per share except, in respect of any shares on which any calls or other sums payable have not been paid. The Company pays and declares dividends in Indian Rupees. The dividend proposed, if any, by the Board of directors is subject to approval of shareholders in the ensuing Annual General Meeting. The repayment of equity share capital in the event of liquidation and buy back of shares are possible subject to prevalent regulations. In the event of liquidation, normally the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

Preference shares

The Company had issued 9,500,000 zero coupon non-convertible, non-cumulative redeemable preference shares having par value of Rs. 10 each per share in the year ended 31 March 2013. During the current year, in its Annual General Meeting, the shareholders approved change in terms of 9,500,000 zero coupon non-convertible, non-cumulative redeemable preference shares to 9,500,000 compulsorily convertible preference shares. "In-principle" approval from stock exchanges has been received on 16 October 2015 and on 4 April 2016 from NSE and BSE respectively. Accordingly, subsequent to the year end, on 8 April 2016 the Company changed the terms of preference shares subject to the condition that the mentioned 9,500,000 compulsorily convertible preference shares shall be locked-in for a period of one year from the date of change in terms.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(All amounts in Rupees lakhs, unless otherwise stated)

c. Particulars of shareholders holding more than 5%

	As at 31 March 2016		As at 31 March 2015	
	Number ('000)	% of total shares in the class	Number ('000)	% of total shares in the class
Equity shares of Rs. 10 each fully paid				
Hulas Rahul Gupta	80,385.49	22.45%	80,385.49	22.45%
Greenlite Lighting Corporation	69,241.05	19.33%	65,600.47 *	18.32%
Bhushan Kumar Gupta	56,500.00	15.78%	56,500.00	15.78%
Preference shares of Rs. 10 each fully paid				
Rising Fibers Private Limited	9,500.00	100.00%	9,500.00	100.00%

* Include 6,032.788 equity shares of Rs. 10 each issued against conversion of secured loan.

- d. For the period of five years immediately preceding the date of Balance sheet no shares were allotted for consideration other than cash. Further no bonus shares have been issued and there has been no buy back of shares during the period of five years immediately preceding the date of balance sheet.

3 RESERVES AND SURPLUS

	As at 31 March 2016	As at 31 March 2015
Securities premium account		
At the commencement of the year	21,487.58	21,487.58
Closing balance	21,487.58	21,487.58
(Loss) in the Statement of Profit and Loss		
At the commencement of the year	(67,952.15)	(60,089.25)
Add: Depreciation adjustment pursuant to Companies Act 2013	-	(45.92)
Add: (Loss) for the year	(14,127.20)	(7,816.98)
Net (loss) in the Statement of Profit and Loss	(82,079.35)	(67,952.15)
Total Reserves and surplus	(60,591.77)	(46,464.57)

4 LONG-TERM BORROWINGS (REFER NOTE 6)

	Non-current portion		Current maturities	
	As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015
Term loans from banks:				
Facility A - Term Loan (secured) # @	22,362.30	26,542.85	12,058.94	7,928.39
Facility B - Priority Medium Term Loan (secured) # @	-	-	11,220.67	11,220.67
Facility C - Working Capital Term Loan (secured) # @	6,434.69	7,622.64	3,464.84	2,276.89
Facility D - Funded Interest Term Loan (secured) # @	4,597.75	6,620.76	4,597.75	2,574.74
Term loan from Union Bank (secured) @	14,820.00	17,556.00	7,980.00	5,244.00
Loan from related party:				
Loan from shareholders (unsecured) [Refer note 6 (ii) and note 34]	1,105.05	1,434.09	-	-
	49,319.79	59,776.34	39,322.20	29,244.69
Less: Amount disclosed under "Other current liabilities" (Refer note 8)	-	-	(39,322.20)	(29,244.69)
	49,319.79	59,776.34	-	-

Also refer note 6 (iii) (b)

@ Also refer note 6 (iii) (c)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(All amounts in Rupees lakhs, unless otherwise stated)

5 SHORT-TERM BORROWINGS (REFER NOTE 6)

	As at 31 March 2016	As at 31 March 2015
Cash credit loans repayable on demand	3,106.63	3,944.34
Buyers credit**	880.35	830.67
Short term borrowing from bank	2,905.40	3,964.11
	6,892.38	8,739.12

** Against import of Plant and Machinery to be paid out of Priority Term Loan.

i) Principal terms of repayment, rate of interest and security for borrowings during the current year

	Nature of Security	Terms of repayment and rate of interest
a)	Facility A - Term Loans [Rs. 34,421.24 (Previous year: Rs. 34,471.24)]	
	(i) First pari passu charge on fixed assets both present and future. (ii) Second pari passu charge on all moveable properties including moveable machinery, machinery spares, tools and accessories, book debts, current assets, present and future, including stock of raw materials, semi-finished and finished goods, consumable stores, book debts etc. (iii) The loan facilities are also secured by way of personal guarantees given by the Directors of the Company i.e. Mr. B. K. Gupta and Mr. H.R. Gupta. (iv) The loan facilities are further secured by the pledge of 100% of the equity share capital held by the promoters of the Company.	Repayment term: 30 stepped up quarterly installments commencing from 31 December 2013 and ending on 31 March 2021. Rate of interest: The rate of interest shall be 10.75% p.a. till 31 March 2014 and the same shall increase by 0.25% per annum thereafter, till it reaches maximum of 12%.
b)	Facility B - Priority Medium Term Loan [Rs. 11,220.67 (Previous year: Rs. 11,220.67)]	
	(i) Priority medium term loans have priority charge on subsidy receivable. (ii) In addition, the facility is secured as described in (a) above	Repayment term: Loan shall be repayable on or before 31st March, 2015 out of the disbursement of Capital Subsidy under Special Incentive Package (SIP). Rate of interest: The rate of interest shall be 11% p.a.
c)	Facility C - Working Capital Term Loan (WCTL) [Rs. 9,899.53 (Previous year: Rs. 9,899.53)]	
	The facility is secured as described in (a) above	Repayment term: 30 stepped up quarterly installments commencing from 31 December 2013 and ending on 31 March 2021. Rate of interest: The rate of interest shall be 6.75% p.a. till 31 March 2013 and will be increased to 10.75% w.e.f. 1 April 2013.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(All amounts in Rupees lakhs, unless otherwise stated)

	Nature of Security	Terms of repayment and rate of interest
d)	Facility D - Funded Interest Term Loan ('FITL') [Rs. 9,195.50 (Previous year: Rs. 9,195.50)]	
	The facility is secured as described in (a) above	Repayment term: 22 stepped up Quarterly Installments commencing from 31 December, 2013 and ending on 31 March 2019. Rate of interest: Interest shall be charged @ 6.75% p.a. up till 31 March 2013 and will be increased to 10.75% w.e.f. 1 April 2013.
e)	Term loan from Union Bank [Rs. 22,800.00 (Previous year: Rs. 22,800.00)]	
	The facility is secured as described in (a) above	Repayment term: 29 stepped up Quarterly Installments commencing from 31 March 2014 and ending on 31 March 2021. Rate of interest: Interest shall be charged @ 11.00% p.a.
f)	Cash credit loan repayable on demand [Rs. 31,06.63 (Previous year: Rs. 3,944.34)]	
	(i) First pari passu charge on all current assets, present and future, including stock of raw materials, semi-finished and finished goods, consumable stores & book debts etc. (ii) Second pari passu charge on fixed assets both present and future. (iii) The loan facilities are also secured by way of personal guarantees given by the Directors of the Company i.e. Mr. B. K. Gupta and Mr. H.R. Gupta. (iv) The loan facilities are further secured by the pledge of 100% of the equity share capital held by the promoters of the Company.	Repayment term: The loan is repayable on demand. Rate of interest: Interest shall be charged @ 10.75% p.a. and is reviewed on annual basis.
g)	Short term borrowings [Rs. 2,905.40 (Previous year 3,964.11)]	
	The facility is secured as described in (f) above	Repayment term: The loan is repayable on demand. Rate of interest: Interest shall be charged @ 10.75% p.a.
h)	Buyer's credit [Rs. 880.35 (Previous year: Rs. 830.67)]	
	The facility is secured as described in (a) above	Repayment term: The same is repayable in a period not exceeding 360 days from date of its origination. Rate of interest: Interest payable @ 0.92% per annum.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(All amounts in Rupees lakhs, unless otherwise stated)

6 Debt Restructuring in the year ended 31 March 2012

i) Background

The Company had set up a green field project for manufacturing Solar Photovoltaic cells with a capacity of 160 MW, comprising two lines of 80 MW each under Phase –I and is in the process of setting up an additional manufacturing facility Line -3 with a 200 MW capacity under Phase – II, at Plot No. 3C/1 Ecotech-II, Udyog Vihar Greater Noida in the State of Uttar Pradesh. The capacity of Phase-I has subsequently enhanced to 200Mw (100Mw each line). The lending banks ('Lenders') had, at the request of the Company, sanctioned term loans, deferred payment guarantee facilities and working capital facilities on such terms and conditions as contained in various loan agreements / facility agreements entered into between the Company and the Lenders.

ii) Conditions that lead to restructuring

The Company witnessed significant downturn due to weak demand both globally as well as in the domestic market and incurred significant cash and operating losses. There was a mismatch between cost and selling prices that resulted in the stoppage of plant from September 2011, which severely impacted the cash flow position of the Company prompting the filing of a restructuring package of its loans that existed as on 1 July 2011 with the Corporate Debt Restructuring Cell ('CDR Cell'). At the request of the Company and in consideration of its commitment to improve its operations, the application filed was referred to the Corporate Debt Restructuring Forum, a non-statutory voluntary mechanism set up under the aegis of the Reserve Bank of India (hereinafter referred to as the "CDR"). Pursuant thereto, the CDR Empowered Group at their meeting held on 30 January 2012 approved a restructuring package in terms of which the loans as of 1 July 2011 were restructured and certain additional financial assistance was proposed to be extended to the Company that was set out in the Letter of Approval dated 7 March 2012 issued by Corporate Debt Restructuring Cell to the Lenders and the Company (hereinafter referred to as the "CDR Package").

The terms and conditions of the CDR were binding on the Lenders and the Company, effective from the date of the signing of the Master Restructuring Agreement ('MRA') i.e. 28 March 2012 with each of the Lenders (except for Indian Bank). The Company had accordingly given effect to the CDR scheme w.e.f. from 1 July 2011, in the financial statements for the year ended 31 March 2012. However one of the banks of the consortium group i.e. Indian Bank had not agreed to the CDR package and had not signed the Master Restructuring Agreement (MRA). The MRA was signed by the concerned bank on 5 July 2012. In connection with obtaining the necessary approvals for restructuring of existing loans, the promoters contributed funds in accordance with sanction letter. As a consequence, the Company received an unsecured loan from its promoters amounting to Rs. 950.00. During the year ended 31 March 2016, Rs.239.04 out of the above unsecured loan from promoters has been adjusted with excess remuneration paid for the year ended 31 March 2015 and 31 March 2016. Also refer note 35.

During the financial year 2013-14, the Company received interest free unsecured loan from a party amounting to Rs. 250.00 towards meeting expenses and also to meet promoters contribution requirement under proposed CDR-2, to be converted into 2,5000,00 zero coupon redeemable non convertible non cumulative preference shares of face value of Rs 10 each after approval from shareholders. However during the previous year, after approval from shareholders the Company had, instead of preference shares, allotted 2,500,000 equity shares of Rs 10 each at par value.

iii) Principal terms of the Master restructuring Agreement ('MRA') in accordance with the CDR scheme.

a) Waivers of existing events of default and the consequential effect thereof:

In accordance with the CDR scheme the consortium of lenders had waived the obligation of the Company to pay any liquidated damages, default or penal interest / interest / further interest charged by the Lenders in excess of the concessional rates approved under CDR package.

b) Restructuring of the loans existed as at 1 July 2011:

Each of the Lenders and Company agreed that the loans shall be reconstituted as follows:

- Rupee Term Loans of Rs. 34,485.82 together with all interest, charges, costs, expenses and any other amounts accrued was reconstituted into **Facility -A;**
- Short Term Loan of Rs. 2,200.00 from Andhra Bank outstanding as on 1 July 2011 i.e. the Cut-off date was rescheduled and converted into "Priority Medium Term Loan" as **Facility -B;**
- Irregularity as on 31 March 2012 in Working Capital Limits comprising cash credit, packing credit, buyer's credit facility, bill discounting and irregularities due to anticipated devolvement of LCs was converted into WCTL as **Facility C;**
- Interest accrued/ to be accrued on Secured term loans, Short term loan and WCTL until 30 June 2013 to be funded by way of Funded Interest Term Loan ("FITL") as **Facility- D.**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(All amounts in Rupees lakhs, unless otherwise stated)

c) Sanction for additional funding

1. Project Loan from Union Bank of India

Union Bank of India ('UBI') sanctioned a Project Loan amounting to Rs. 27,500 (including Term Loan-II of Rs. 22,800 for project Line-C and Priority Term Loan of Rs. 4,700).

2. Priority medium term loan

As part of the CDR package the Lenders agreed to provide additional funding in the form of priority medium term loans of Rs. 10,000 for the implementation of 200 MW Plant in the proportion of the outstanding exposure to the Company as on the 1 July 2011.

d) Reset of Interest Rate:

The Lenders alongwith the approval of CDR EG, shall have a right to reset the rate of interest on the term loans after every three years (or short period as decided by the CDR EG) and working capital interest rate every year.

e) Consequential effect of the CDR Scheme on the interest cost and the classification of the interest accrued on borrowings as loans

As explained in note 6 (iii) (a) above, the Lenders waived the obligation of the Company to pay any liquidated damages, default or penal interest / interest / further interest charged by the Lenders in excess of the concessional rates approved under the CDR package w.e.f 1 July 2011. Consequently, an interest credit received from the Lenders amounting to Rs 1,201.70 and the balance of interest accrued outstanding as at 31 March 2012 relating to various facilities amounting to Rs 3,502.00 was transferred to FITL.

f) Default in repayment of loan and interest

As per the terms of the first Corporate Debt Restructuring package, principal amount of Rs.29,244.69 is due as on 31 March 2016 (previous year Rs.9,467.84) Further, the interest of Rs. 30,199.89 is due as on 31 March 2016 (Previous year Rs. 17,054.93).

iv. Second Re-structuring

In light of continuing downturn in the solar industry where margins were under significant stress and the continuing operating and cash losses of the Company, the Company could not achieve the projection submitted under first CDR package. Considering the above, the Company approached its lenders for second CDR package in the financial year ended 31 March 2014. During the year ended 31 March 2016, consortium bankers in their joint lenders meeting has decided that banks' are not considering second restructuring proposal as of now and exploring the possibility of sale to Asset Restructuring Company and/or to invoke change in management.

7 PROVISIONS

	Long-term		Short-term	
	As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015
Provision for employee benefits (Refer note 35)				
- Provision for gratuity	-	-	13.77	5.45
- Provision for compensated absences	28.62	25.57	11.90	6.79
	28.62	25.57	25.67	12.24

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(All amounts in Rupees lakhs, unless otherwise stated)

8 OTHER CURRENT LIABILITIES

	As at 31 March 2016	As at 31 March 2015
Current maturities of long-term borrowings (Refer note 4)	39,322.20	29,244.69
Interest accrued and due on long term borrowings	30,044.35	16,968.59
Interest accrued and due on short term borrowings	155.54	86.34
Creditor for capital goods	3,352.16	3,476.16
Other payables		
Claim against compensation payable	542.55	511.94
Salary,wages and bonus payable	137.45	143.24
Advance from customers	393.43	2,010.18
Tax deducted at source payable	26.22	31.56
Other statutory dues payable	24.01	22.83
	73,997.91	52,495.53

9 (a). TANGIBLE FIXED ASSETS

As at 31 March 2016

Particulars	Gross block				Accumulated depreciation					Net block	
	As at 1 April 2015	Additions during the year	Disposals	As at 31 March 2016	As at 1 April 2015	Transi- tional Deprecia- tion	Deprecia- tion charged for the year	Disposals	As at 31 March 2016	As at 31 March 2016	As at 31 March 2015
Leasehold land #	2,581.03	-	-	2,581.03	194.38	-	29.56	-	223.94	2,357.09	2,386.65
Building - Factory	3,519.49	-	-	3,519.49	694.65	-	110.48	-	805.13	2,714.36	2,824.84
Building - Non Factory	1,403.32	-	-	1,403.32	137.47	-	22.17	-	159.64	1,243.68	1,265.85
Building (temporary structure)	14.35	-	-	14.35	14.35	-	-	-	14.35	-	-
Plant and machinery	58,739.55	327.31	178.00	58,888.86	18,657.88	-	2,388.72	15.95	21,030.65	37,858.21	40,081.67
Furniture and fixtures	590.83	-	-	590.83	256.81	-	71.77	-	328.58	262.25	334.02
Office equipment	67.97	3.49	-	71.46	61.60	-	1.72	-	63.32	8.14	6.37
Vehicles	288.75	29.91	55.05	263.61	198.31	-	30.75	52.30	176.76	86.85	90.44
Computers	38.96	8.71	-	47.67	36.39	-	1.01	-	37.40	10.27	2.57
Total	67,244.25	369.42	233.05	67,380.62	20,251.84	-	2,656.18	68.25	22,839.77	44,540.85	46,992.41

As at 31 March 2015

Particulars	Gross block				Accumulated depreciation					Net block	
	As at 1 April 2014	Additions during the year	Disposals	As at 31 March 2015	As at 1 April 2014	Transi- tional Deprecia- tion*	Deprecia- tion charged for the year	Dispos- als	As at 31 March 2015	As at 31 March 2015	As at 31 March 2014
Leasehold land	2,581.03	-	-	2,581.03	167.88	-	26.50	-	194.38	2,386.65	2,413.15
Building - Factory	3,519.49	-	-	3,519.49	582.98	-	111.67	-	694.65	2,824.84	2,936.51
Building - Non Factory	1,403.32	-	-	1,403.32	115.23	-	22.24	-	137.47	1,265.85	1,288.09
Building (temporary structure)	14.35	-	-	14.35	14.35	-	-	-	14.35	-	-
Plant and machinery	58,165.64	573.91	-	58,739.55	16,245.36	-	2,412.52	-	18,657.88	40,081.67	41,920.28
Furniture and fixtures	590.44	0.39	-	590.83	180.77	-	76.04	-	256.81	334.02	409.67
Office equipment	67.36	0.61	-	67.97	22.60	31.24	7.76	-	61.60	6.37	44.76
Vehicles	288.75	-	-	288.75	149.33	8.86	40.12	-	198.31	90.44	139.42
Computers	38.48	0.48	-	38.96	29.99	5.82	0.58	-	36.39	2.57	8.49
Total	66,668.86	575.39	-	67,244.25	17,508.49	45.92	2,697.43	-	20,251.84	46,992.41	49,160.37

*Pursuant to Companies Act, 2013 ('the Act') being effective from 01 April 2014, the Company had revised depreciation rates with effect from 1 April 2014, as per the useful life specified in Part 'C' of Schedule II of the Act or as per the management's estimate based on preliminary internal/ external evaluation for all of its assets. As a result of this change, the depreciation charge for the year ended 31 March 2015 is lower by Rs.1,436.27 lakhs. In respect of the assets whose useful life is already exhausted as on 01 April 2014, depreciation of Rs. 45.92 lakhs (net of tax impact of Rs. Nil) has been adjusted in Reserves and Surplus in accordance with the requirements of Schedule II of the Act.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(All amounts in Rupees lakhs, unless otherwise stated)

9 (b). INTANGIBLE FIXED ASSETS

As at 31 March 2016

Particulars	Gross block				Accumulated amortisation					Net block	
	As at 1 April 2015	Additions during the year	Disposals	As at 31 March 2016	As at 1 April 2015	Transitional Depreciation	Amortisation for the year	Disposals	As at 31 March 2016	As at 31 March 2016	As at 31 March 2015
Intangible fixed assets											
Computer Software	12.11	7.29	-	19.40	11.58	-	0.90	-	12.48	6.92	0.53
Total	12.11	7.29	-	19.40	11.58	-	0.90	-	12.48	6.92	0.53

As at 31 March 2015

Particulars	Gross block				Accumulated amortisation					Net block	
	As at 1 April 2014	Additions during the year	Disposals	As at 31 March 2015	As at 1 April 2014	Transitional Depreciation	Amortisation for the year	Disposals	As at 31 March 2015	As at 31 March 2015	As at 31 March 2014
Intangible fixed assets											
Computer Software	12.11	-	-	12.11	10.67	-	0.91	-	11.58	0.53	1.44
Total	12.11	-	-	12.11	10.67	-	0.91	-	11.58	0.53	1.44

9 (c). CAPITAL WORK-IN-PROGRESS

Particulars	Building - Factory	Plant and machinery	Total
Capital work-in-progress			
Balance as at 1 April 2015	3,120.48	54,302.61	57,423.09
Additions *	12.21	2,218.62	2,230.83
Assets capitalised during the year	-	-	-
Balance as at 31 March 2016	3,132.69	56,521.23	59,653.92
Balance as at 1 April 2014	2,732.19	54,178.80	56,910.99
Additions	388.29	123.81	512.10
Assets capitalised during the year	-	-	-
Balance as at 31 March 2015	3,120.48	54,302.61	57,423.09

* Borrowing cost of Rs. 787.57 (previous year Rs. 1,421.82) and amortised ancillary cost of Rs. 12.36 (previous year Rs. 24.72) have been included in additions to capital work-in-progress. Capital work in progress includes exchange differences amounting to Rs. 398.34 (previous year Rs. 2,327.83) relating to the application of para 46A of AS -11 "Accounting for the effects of changes in foreign exchange rates". Capital work in progress also includes Rs. 13.77 (previous year Rs. 8.14) on account of directly attributable expenses.

10 LOAN AND ADVANCES (UNSECURED, CONSIDERED GOOD)

	Long-term		Short-term	
	As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015
Capital advances	645.67	762.63	-	-
Security deposits	121.21	131.67	-	-
	766.88	894.30	-	-
Advances recoverable in cash or in kind				
Balance with statutory/ government authorities	-	-	1,451.34	1,645.77
Advance tax [net of provision Rs.Nil (previous year Rs.Nil)]	60.22	48.87	-	-
Prepaid expenses	-	-	44.95	70.37
Advance to vendors/suppliers	-	-	421.90	307.26
Advance to employees	-	-	8.13	6.52
	60.22	48.87	1,926.32	2,029.92
	827.10	943.17	1,926.32	2,029.92

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(All amounts in Rupees lakhs, unless otherwise stated)

11 OTHER ASSETS

	Non-current		Current	
	As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015
Non current bank balances (Refer note 14)	15.30	0.30	-	-
Unamortised ancillary cost of arranging the borrowings	124.82	174.25	49.44	49.44
Others	140.12	174.55	49.44	49.44
Interest accrued but not due on fixed deposit	6.28	30.86	-	3.16
	6.28	30.86	-	3.16
	146.40	205.41	49.44	52.60

12 INVENTORIES

	As at 31 March 2016	As at 31 March 2015
Raw material and components*	1,158.26	693.36
Finished goods [includes goods in transit Rs.109.73(previous year Rs. Nil)]	1,042.38	1,114.71
Stores, spares and other consumables	433.26	415.63
	2,633.90	2,223.70

* After adjusting for write down amounting to Rs.Nil (previous year Rs. 478.31) to its net realisable value.

13 TRADE RECEIVABLES (CONSIDERED GOOD, UNLESS OTHERWISE STATED)

	As at 31 March 2016	As at 31 March 2015
Receivables outstanding for a period exceeding six months from the date they became due for payment		
Unsecured, considered good	78.50	125.91
Unsecured, considered doubtful	134.94	212.05
	213.44	337.96
Less: Provision for doubtful debts	(134.94)	(212.05)
- Others receivables	270.28	30.63
	348.78	156.54

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(All amounts in Rupees lakhs, unless otherwise stated)

14 CASH AND BANK BALANCES

	Non-current		Current	
	As at 31 March 2016	As at 31 March 2015	As at 31 March 2016	As at 31 March 2015
Cash and cash equivalents				
Balance with banks:				
On current account	-	-	77.67	380.43
Cash on hand	-	-	1.15	4.81
Deposits with original maturity of less than three months	-	-	-	642.35
	-	-	78.82	1,027.59
Other bank balances				
Deposits with bank with maturities more than 12 months	15.30	0.30	-	-
Deposits with bank with maturities more than 3 months and less than 12 months	-	-	5.10	1,423.29
	15.30	0.30	5.10	1,423.29
Amount disclosed under non current assets (Refer note 11)	(15.30)	(0.30)		
	-	-	83.92	2450.88

15 REVENUE FROM OPERATIONS

	For the year ended 31 March 2016	For the year ended 31 March 2015
Sale of product		
Sale of products - finished goods (gross)	25,379.93	28,725.44
Sale of products - traded goods	361.00	468.10
Less : Excise duty	-	0.27
Sale of products (net)	25,740.93	29,193.27
Other operating revenue		
Provisions/ liabilities no longer required written back	-	361.70
Scrap sale	27.18	42.31
	27.18	404.01
Break -up of revenue from sale of products		
Solar cells	25,379.93	28,725.17
Solar module	361.00	468.10
	25,740.93	29,193.27

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(All amounts in Rupees lakhs, unless otherwise stated)

16 OTHER INCOME

	For the year ended 31 March 2016	For the year ended 31 March 2015
Interest income on bank deposits	65.82	136.56
Interest income on others	0.50	2.03
Provisions/ liabilities no longer required written back	125.79	-
Foreign exchange gain (net)	17.20	230.53
Miscellaneous	6.60	23.04
	215.91	392.16

17 COST OF MATERIAL CONSUMED

	For the year ended 31 March 2016	For the year ended 31 March 2015
Inventory at the beginning of the year	693.36	1,117.77
Add : Purchases	19,243.04	18,118.06
Less : Inventory at the end of the year	1,158.26	693.36
Cost of raw material consumed	18,778.14	18,542.47
Detail of material consumed		
Silicon multi-crystalline wafers	15,346.75	14,313.24
Conductor paste	1,840.08	2,305.62
Chemicals	898.96	1,133.05
Screens	289.16	402.55
Gases	403.19	388.01
	18,778.14	18,542.47
Detail of inventory		
Silicon multi-crystalline wafers	772.69	343.56
Conductor paste	157.57	216.10
Chemicals	89.21	74.67
Screens	93.31	31.98
Gases	45.48	27.05
	1,158.26	693.36

18 PURCHASE OF STOCK IN TRADE

	For the year ended 31 March 2016	For the year ended 31 March 2015
Purchase of stock in trade (solar panel and modules)	302.35	326.01

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(All amounts in Rupees lakhs, unless otherwise stated)

19 CHANGE IN INVENTORIES OF FINISHED GOODS AND WORK IN PROGRESS

	For the year ended 31 March 2016	For the year ended 31 March 2015
Inventories at the beginning of year		
- Finished goods	1,114.71	2,100.82
Inventories at the end of year		
- Finished goods [including goods in transit Rs.109.73 (previous year Rs. Nil)]	1,042.38	1,114.71
Decrease/(increase) during the year	72.33	986.11
Detail of inventory		
Finished goods		
Solar cells	835.74	906.45
Solar modules	68.80	16.82
Broken cells	97.08	50.34
Rejected cells	40.76	141.10
	1,042.38	1,114.71

20 EMPLOYEE BENEFIT EXPENSES

	For the year ended 31 March 2016	For the year ended 31 March 2015
Salaries, wages and bonus*	832.00	880.80
Contribution to provident and other funds	84.17	79.97
Gratuity	14.87	24.09
Staff welfare expenses	106.84	53.67
	1,037.88	1,038.53

* after adjusting Recovery of managerial Remmuneration refer note 34

21 OTHER EXPENSES

	For the year ended 31 March 2016	For the year ended 31 March 2015
Advertisement and sales promotion	86.89	95.75
Selling and distribution expenses	273.18	219.61
Commission on sales	-	8.35
Fuel and power	1,598.95	1,706.67
Equipment rental charges (Refer note 27)	16.61	30.52
Loading and unloading charges	72.37	56.53
Spares consumed	747.98	694.77
Consumable stores	193.19	170.66
Travel and conveyance	109.21	132.36
Legal and professional [includes prior period expenses Rs. 90.00 (previous year Rs.Nil)] *	650.20	187.41
Rent (Refer note 27)	8.26	4.79
Loss on sale of fixed assets	11.52	-
Insurance	46.54	34.84
Communication	48.92	38.62

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(All amounts in Rupees lakhs, unless otherwise stated)

Repair and maintenance :		
- Plant and machinery [includes prior period expenses Rs. 8.87 (previous year Rs.Nil)]	203.23	147.14
- Vehicle	44.10	40.18
- Others	45.70	133.23
Rates and taxes	35.17	69.03
Bank charges	123.58	-
Provision for doubtful debts	48.68	50.00
Bad debts written off	125.79	-
Miscellaneous expenses	252.41	111.10
	4,742.48	3,931.56

* Payments to auditors (excluding service tax)

	For the year ended 31 March 2016	For the year ended 31 March 2015
As auditor		
-Statutory audit	20.00	19.50
-Limited reviews	18.00	13.50
-Other services	2.50	4.50
Reimbursement of expenses	1.49	3.83
	41.99	41.33

22 FINANCE COSTS

	For the year ended 31 March 2016	For the year ended 31 March 2015
Interest expense on:		
-Term loan	11,716.42	9,232.79
-Working capital	804.54	858.03
-Bank charges	-	192.61
	12,520.96	10,283.43

23 DEPRECIATION AND AMORTISATION EXPENSE (REFER NOTE 9)

	For the year ended 31 March 2016	For the year ended 31 March 2015
Depreciation on tangible assets	2,656.18	2,697.43
Amortisation on intangible assets	0.90	0.91
	2,657.08	2,698.34

24 EARNING PER EQUITY SHARES (EPS)

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Net loss as per the Statement of Profit and Loss	(14,127.20)	(7,817.01)
Number of equity shares of Rs.10 each at the beginning of the year	358,130,000	335,144,027
Number of equity shares of Rs.10 each at the end of the year	358,130,000	358,130,000
Weighted average number of equity shares of Rs.10 each at the end of the year for calculation of basic and diluted EPS	358,130,000	345,471,971
Basic and diluted earnings per share (in Rs.) (Per share of Rs 10 each)	(3.94)	(2.26)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(All amounts in Rupees lakhs, unless otherwise stated)

25 DEFERRED TAX ASSETS / LIABILITY

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Deferred tax liability		
Impact of depreciation/ amortisation allowed as per the books of accounts and allowed as per the Income-tax Act, 1961	7,033.51	7,641.67
Deferred tax assets		
Brought forward losses as per tax laws *	7,033.51	7,641.67
	-	-

* The Company has significant unabsorbed depreciation/carry forward losses as per the tax laws. In view of absence of virtual certainty of realisation of carried forward tax losses/unabsorbed depreciation in the foreseeable future, deferred tax asset has been recognised only to the extent of deferred tax liability.

26 COMMITMENTS

- Estimated amount of contracts remaining to be executed on capital account (net of advances) not provided for Rs. Nil (previous year Rs. 337.73).
- For commitments relating to lease arrangements (Refer note 27).
- For commitments relating to net positive foreign exchange earnings (Refer note 33).

27 LEASE TAKEN BY THE COMPANY

The Company has various operating leases under cancellable and non cancellable operating lease arrangements for plant and machinery, accommodation for employees and other assets which are renewable on a periodic basis. Rent expenses for operating leases included in the Statement of Profit and Loss is Rs. 24.87 (previous year: Rs. 35.31).

28 CIF VALUE OF IMPORTS

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Raw material	16,565.52	3,045.67
Capital goods	463.82	43.07
Components and spare parts	428.44	327.33
Total	17,457.78	3,416.07

29 EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Commission	-	8.35
Business Promotion	8.27	-
Selling Expenses	13.15	-
Legal and professional	-	61.91
Travelling expenses	7.20	15.19
Finance cost	0.82	404.50
Testing charges	-	11.62
Repairs and maintenance	35.63	70.80
Other expenses	0.41	2.29
Total	65.48	574.66

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(All amounts in Rupees lakhs, unless otherwise stated)

30 EARNING IN FOREIGN CURRENCY

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
FOB value of exports#	15,665.60	29,135.76
Total	15,665.60	29,135.76

Includes deemed exports to EOU/SEZ units amounting to Rs.13,267.23 (previous year Rs. 28,707.26).

31 THE COMPANY'S FOREIGN CURRENCY EXPOSURE ON ACCOUNT OF PAYABLES NOT HEDGED AS ON 31 MARCH 2016 AND 31 MARCH 2015 IS AS FOLLOW:

Particulars	Amount in Foreign currency"	Amount in Rupees"
EURO	43.33 (61.20)	3,254.14 (4,066.57)
US Dollar	59.98 (15.69)	3,978.41 (981.97)

Previous year figures are given in brackets.

32 THE COMPANY'S FOREIGN CURRENCY EXPOSURE ON ACCOUNT OF RECEIVABLES NOT HEDGED AS ON 31 MARCH 2016 AND 31 MARCH 2015 IS AS FOLLOW:

Particulars	Amount in Foreign currency"	Amount in Rupees"
Receivables:		
EURO	0.57 (0.57)	42.85 (34.94)
US Dollar	1.81 (0.90)	119.97 (42.96)

Previous year figures are given in brackets.

- 33** The Company has incurred expenses in foreign currency amounting to Rs.137,251.53 lakhs (including amortisation of imported machinery) till 31 March 2016. Being an Export Oriented Unit, the Company had imported such machinery and raw material without payment of customs duty, on the basis of an undertaking given to Special Economic Zone that the Company shall be able to earn a positive Net Foreign Exchange (NFE) within ten years from the commencement of its operations (i.e. 16 July 2009). As at 31 March 2016, the Company has a negative Net Foreign Exchange Earnings of Rs. 3,478.40 lakhs.

During the year ended 31 March 2015, the Company had filed an appeal before the relevant authorities to consider the DTA sale of 3,864.89 lakhs made in the earlier years to consider as eligible sale for 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 2012-13, the Company had erroneously considered the domestic purchase of Rs. 331.07 lakhs as imported purchase resulting thereby higher forex outflow ii) while submitting the APR of 2009-10, the Company had considered full year amortisation of capital expenditure instead of calculating the same from the date of start of commercial production resulting into higher amortisation of Rs.1,409.07 lakhs which was considered as forex outflow in that year. If the appeal is accepted, and the impact of above referred correction is recognized, the NFE as on 31 March 2016 would have been positive by Rs. 2,126.16 lakhs.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(All amounts in Rupees lakhs, unless otherwise stated)

d) Outstanding balance as at year end

Particulars	As at 31 March 2016	As at 31 March 2015
Payables		
Mr. B.K Gupta	-	9.95
Mr. H.R Gupta	-	10.00
Unsecured loan		
Mr. H.R Gupta	-	204.53
Mr. B.K Gupta	584.50	709.00
Greenlite Lighting Corporation	520.55	520.55
Advance for sale of product		
Greenlite Lighting Corporation	-	18.39

*The Company has accrued/paid managerial remuneration which was in excess of the limits specified in Schedule V read with Section 197 of the Companies Act, 2013. The Company had filed applications with the Central Government for regularizing the payments of managerial remuneration. Subsequent to the year end, the Company received letters from Central Government rejecting such applications. Accordingly, the Company has recovered the managerial remuneration paid in current year of Rs. 184.99 lakhs and in previous year of Rs. 147.84 lakhs by adjusting the payable balances of directors. The recovered amount has been netted off from employee benefit expenses for the year ended 31 March 2016.

35 EMPLOYEES BENEFIT

Disclosure in respect of employee benefits under Accounting Standard 15 "Employee Benefits":

- Defined Contribution Plans: The Company has recognised Rs. 69.12 (Previous year Rs. 67.20) related to employers' contribution to Provident Fund Scheme in the Statement of Profit and Loss.
- Post employment benefit plan in the form of gratuity:

The Company has a post employment benefit in the form of gratuity wherein the last drawn salary plus dearness allowance is used to compute gratuity as per the provisions of the Payment of Gratuity Act, 1972. A period of 5 years has been considered as vesting and the maximum benefit that can be availed under the scheme is Rs. 10.00.

Particulars	As at 31 March 2016	As at 31 March 2015
Changes in the present value of defined benefit obligation		
Projected benefit obligation at the beginning of the year	75.02	53.51
Current service cost	15.91	15.04
Interest cost	5.81	4.55
Benefits paid	(13.75)	(8.73)
Actuarial gain/ (loss)	(1.88)	10.65
Past service cost	-	-
Projected benefit obligation at the end of the year	81.11	75.02
Changes in the fair value of the plan assets		
Fair value of the plan assets in the beginning of the year	69.57	72.17
Expected return on plan assets	6.26	6.49
Employer contributions	7.24	-
Fund Management Charges LIC	(0.70)	-
Benefits Paid	(13.75)	(8.73)
Actuarial gain/ (loss)	(1.28)	(0.36)
Fair value of the plan assets in the end of the year	67.34	69.57

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(All amounts in Rupees lakhs, unless otherwise stated)

Amount recognised in the Balance Sheet		
Projected benefit obligation at the end of the year	81.11	75.02
Fair value of the plan assets in the end of the year	(67.34)	(69.57)
Funded/ (Unfunded) status of the plans liabilities	(13.77)	(5.45)
Present value of unfunded obligation	-	-
Unrecognised past service cost	-	-
Amount not recognised as an Asset (limit in para 59 (b))	-	-
Liability/ (asset) recognised in the Balance Sheet	13.77	5.45
Gratuity expenses recognised in the Statement of Profit and Loss		
Current service cost	15.91	15.04
Interest cost	5.81	4.55
Expected return on plan assets	(6.26)	(6.49)
Net actuarial (gain) recognised in the year	(0.59)	10.99
Loss on “acquisition/divestiture”	-	-
Past service cost	-	-
Effect of limit in para 59 (b)	-	-
Net gratuity cost	14.87	24.09

c) Experience adjustment

Particulars	Period ended				
	31 March 2012	31 March 2013	31 March 2014	31 March 2015	31 March 2016
Defined benefit obligation	36.01	46.67	53.51	75.02	81.11
Plan assets	51.85	66.36	72.17	69.57	67.34
Surplus/(Deficit)	15.84	19.69	18.66	(5.44)	(13.77)
Experience adjustment on plan liabilities	(0.34)	(9.33)	8.01	(5.45)	(0.47)
Experience adjustment on plan assets	2.02	1.11	-	(0.17)	(1.28)

d) The principal actuarial assumptions used for post employment benefit plan in the form of gratuity, as at the balance sheet date is as under:

Particulars	As at 31 March 2016	As at 31 March 2015
Economic assumptions		
Discount rate	8.00%	7.75%
Long term rate of compensation increase	2% for first two years and 6% thereafter	2.53% for first two years and 6% thereafter
Demographic assumptions		
Retirement age	60 years	60 years
Mortality table	Indian Assured Lives Mortality (2006-08) Ult.	Indian Assured Lives Mortality (2006-08) Ult.
Withdrawal Rates		
Ages (years)		
21-30	5.00%	5.00%
31-40	3.00%	3.00%
41-59	2.00%	2.00%

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(All amounts in Rupees lakhs, unless otherwise stated)

36 SEGMENT INFORMATION

(a) Information about primary business segment

In the opinion of the management, there is only one reportable segment i.e. manufacturing of solar cells, as envisaged by Accounting Standard 17 "Segment Reporting".

(b) Information on secondary/ geographical segment

The Company sells its products to various customers within the country and also exports to other customers. Considering the size and proportion of exports to local sales, the Company considers sales made within the country and exports as different geographical segments.

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Segment revenue		
Domestic	23,220.42	28,764.77
Overseas	2,520.51	428.50
Total	25,740.93	29,193.27

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Segment assets *		
Domestic	109,428.29	111,819.33
Overseas	789.26	658.92
Total	110,217.55	112,478.25

Particulars	For the year ended 31 March 2016	For the year ended 31 March 2015
Addition to fixed assets		
Domestic	2,374.49	1,087.48
Overseas	-	-
Total	2,374.49	1,087.48

* Segment assets outside India includes advances given for purchase of capital assets.

- 37 Shareholders had passed ordinary resolution through postal ballot on 31st January, 2011 to empower and authorise the Board of Directors to vary terms and contracts mentioned in the prospectus dated 18th September, 2010, vary/ amend/ alter the utilisation of net proceeds inter se one or other of the purposes for their utilisation, described in the said prospectus on even date and utilise any part of the net proceeds for a purpose or purposes other than those described in the said prospectus. The funds raised and utilised by the Company are as under:

Particulars	As at 31 March 2016	As at 31 March 2015
IPO Proceeds received		
Utilisation of funds:		
Advance given to supplier of assets	15,580.55	15,580.55
Repayment of Working capital loan and proceeds used for working capital requirement	14,386.21	14,386.21
Share issue expenses	3,358.24	3,358.24
Repayment of long term borrowings obtained for acquisition of machineries for Line C	2,375.00	2,375.00
Total	35,700.00	35,700.00

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(All amounts in Rupees lakhs, unless otherwise stated)

38 Value of imported and indigenous raw materials, stores and spares consumed during the year and percentage of each to total consumption.

(I) Raw Materials

Particulars	For the Year Ended 31st March. 2016		For the Year Ended 31st March. 2015	
	Amount	%	Amount	%
Imported	15,900.52	84.68	3831.90	20.67
Indigenous	2,877.62	15.32	14710.57	79.33
Total	18,778.14	100.00	18542.47	100.00

(II) Stores and Spares

Particulars	For the Year Ended 31st March. 2016		For the Year Ended 31st March. 2015	
	Amount	%	Amount	%
Imported	422.89	44.93	432.98	50.03
Indigenous	518.28	55.07	432.45	49.97
Total	941.17	100.00	865.43	100.00

39 CONTINGENT LIABILITIES

Particulars	As at 31 March 2016	As at 31 March 2015
Custom duty demand pending settlement*	-	9,430.19
Service tax demand pending settlement**	218.28	-
Total	218.28	9,430.19

During the year 2013-14, the Company has received a show cause notice from the Office of the Commissioner, Customs, Central, Excise & Service Tax Commissionerate (Authority), Noida, whereby the authority has asked the Company to explain why custom duty of Rs. 9,430.19 lakhs along with interest and penalty thereon should not be levied on the Company in respect of import of duty free capital goods, as the Company could not install the machinery within the stipulated time period. The Company has filed its reply with the authority citing the delays in installation primarily due to financial constraint arising out of the downturn in the solar industry. The case has been heard on 28th April 2015 and accordingly, the Commissioner Central Excise has passed an order in favour of the Company.

** During the current year, the Company has received a demand cum show cause notice from the Office of the Principal Commissioner, Service Tax Commissionerate (Authority), Noida, whereby the authority has asked the Company to explain why service tax of Rs. 218.28 lakhs including cess should not be demanded and recovered from the Company under the proviso to Section 73(1) of Finance Act 1994. Subsequent to the year end, the Company has paid service tax amounting to Rs. 11.61 lakhs under protest.

- 40** The Company's claim to its being eligible for certain capital incentives has been ordered in favour of the Company by the High Court of Delhi directing the concerned authorities to recalculate the threshold limit within four weeks from the date of the order (i.e. 3 July 2015). In the absence of timely response by the department, the Company filed contempt petition in High Court of Delhi and the court again directed the department to comply with the order dated 3 July 2015 within a period of six weeks from 11 May 2016 and fixed next date of hearing on 5 August 2016. Concerned authorities had also moved an appeal to the Double Bench of High Court of Delhi against the order dated 3 July 2015 of High Court of Delhi for which next date of hearing is 14 July 2016.
- 41** 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. Company received a final notice from MP Urja rejecting the

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

(All amounts in Rupees lakhs, unless otherwise stated)

extension plea and deciding to cancel the work order (other than the 3 sites considered completed by MP Urja) given to the Company along with 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 Company is under final negotiation with the department and believes that the matter will be resolved within financial year 2016-17 and outstanding amount will be realised after adjusting some amount of penalties which is not yet ascertained. As a consequence, the impact of the (a) loss or damage due to the action that MP Urja may take; (b) 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, and (c) the Company's inability to complete the order within the stipulated time period, is uncertain and the same shall crystallize only on the conclusion of discussion and the actions that the authorities may take against the Company."

- 42 The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that Micro and Small Enterprises should mention in their correspondence with their customers the Entrepreneurs Memorandum number as allocated after filing of the Memorandum. Based on information received and available with the Company, there are no amounts payable to Micro and Small Enterprises as at 31 March 2016 and 31 March 2015. Based on the information presently available with the Company, there are no dues outstanding to micro and small enterprises covered under the Micro, Small and Medium Enterprises Development Act, 2006 except the one highlighted below:

Particulars	31 March 2016	31 March 2015
The amounts remaining unpaid to micro and small suppliers as at the end of the year		
- Principle	148.56	77.85
- Interest	8.88	0.59
The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 (MSMED Act. 2006)	-	-
The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting year	307.24	19.30
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act. 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year.	9.47	0.59
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the MSMED Act. 2006	9.47	0.59

- 43 Previous period figures have been re-grouped/re-classified to conform to current year classification.

For B S R & Co. LLP

Chartered Accountants

Firm registration number: 101248W/W-100022

Rajiv Goyal

Partner

Membership No.: 094549

Place: Gurgaon

Date: 30 May 2016

For and on behalf of the Board of Directors of
Indosolar Limited

H.R. Gupta

Managing Director

DIN:00297722

Anand Kumar Agarwal

Chief Financial Officer

Place: Greater Noida

Date: 30 May 2016

Gautam Singh Kuthari

Director

DIN:00945195

Manish Gupta

Company Secretary



**FORM NO. MGT-11
FORM OF PROXY**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

INDOSOLAR LIMITED
CIN: L18101DL2005PLC134879
Regd. Office: C-12, Friends Colony (East), New Delhi-110065
Tel.: 011-26841375, Fax: 011-26843949
E. Mail: investors@indosolar.co.in, Website: www.indosolar.co.in

Name of the Member (s):	
Registered address:	
Folio No. / Client ID*:	DP ID*:
E. Mail ID:	

I/We being member(s) of _____ shares of the above named Company, hereby appoint:

S. No.	Name	Address	E-mail ID	Signature	or failing him
1.					
2.					
3.					

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 11th Annual General Meeting of the Company to be held on Friday, the 30th day of September 2016 at 9:00 am at Mithas Motel & Resort, 92/16, G.T. Karnal Road, Alipur, Delhi – 110 036 or any adjournment thereof in respect of such resolution as are indicated below:

Resolutions	For	Against
Resolution No. 1. To receive, consider, approve and adopt the Audited Financial Statement of the Company for the Financial Year ended March 31, 2016. (Ordinary Resolution)		
Resolution No. 2. To appoint a Director in place of Mr. Hulas Rahul Gupta (DIN-00297722), who retires by rotation and being eligible, offers himself for re-appointment. (Ordinary Resolution)		
Resolution No. 3. Ratification of Appointment of Statutory Auditors. (Ordinary Resolution)		
Resolution No. 4. Appointment of M/s. Kabra and Associates as a Cost Auditors for the Company for the Financial Year 2016-17. (Ordinary Resolution)		

Signed this day of 2016

Signature of Shareholder.....

Signature of Proxy holder(s).....



Notes:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the meeting.
- Shareholders may give their assent or dissent against each resolution.

*Applicable for members holding shares in electronic form



ATTENDANCE SLIP

INDOSOLAR LIMITED

CIN: L18101DL2005PLC134879

Regd. Office: C-12, Friends Colony (East), New Delhi-110065

Tel.: 011-26841375, Fax: 011-26843949

E. Mail: investors@indosolar.co.in, Website: www.indosolar.co.in

I hereby record my presence at the 11th Annual General Meeting of the Company at Mithas Motel & Resort, 92/16, G.T. Karnal Road, Alipur, Delhi – 110 036 on Friday, the 30th day of September 2016 at 9.00 a.m.

Full Name of the Member (in block letters):

Signature:

Folio No.:

No. of Shares Held:

DP ID:

Client ID:

Full Name of the Proxy (in block letters):.....
(to be filled if the proxy attends instead of the member)

Signature:

Note: Members attending the meeting in person or by proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.



