INDOSOLAR LIMITED
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STATEMENT OF STANDALONE AUDITED RESULTS FOR THE QUARTER AND YEAR ENDED 30 JUNE 2015 **(Rs. in Lakhs)**

Sl. No.	Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Year ended
		30.06.2015	31.03.2015	30.06.2014	31.03.2015
		Un-audited	Audited *	Un-audited	Audited
	Part I				
1	**Income from operations**				
a	Net sales/income from operations (net of excise duty) (Refer note 9)	5,114.38	14,373.09	371.81	29,193.27
b	Other operating income	3.90	390.33	-	404.01
	Total income from operations (net)	**5,118.28**	**14,763.42**	**371.81**	**29,597.28**
2	**Expenses:**				
a	Cost of materials consumed	3,588.24	8,897.98	(3.87)	18,542.47
b	Purchase of stock in trade	84.26	-	183.08	326.01
c	Changes in inventories of finished goods, work-in-progress and stock in trade	(776.24)	1,024.44	113.32	986.11
d	Employee benefits expense (Refer note 11)	342.83	389.35	92.09	1,038.53
e	Depreciation and amortisation expense	655.38	714.40	823.40	2,698.34
f	Power and fuel	395.77	484.47	52.94	1,706.67
g	Foreign exchange loss (net)	0.64	-	21.24	-
h	Other expenses (Refer note 5)	739.93	823.91	108.70	2,224.89
	Total expenses	**5,030.81**	**12,334.55**	**1,390.90**	**27,523.02**
3	**Profit/(loss) from operations before other income, finance cost (1-2)**	**87.47**	**2,428.87**	**(1,019.09)**	**2,074.26**
4	Other income	20.85	102.49	63.33	392.16
5	**Profit/(loss) from ordinary activities before finance costs (3+4)**	**108.32**	**2,531.36**	**(955.76)**	**2,466.42**
6	Finance costs (Refer note 12)	2,609.39	2,450.45	2,170.76	10,283.43
7	**Profit/(loss) from ordinary activities before tax (5-6)**	**(2,501.07)**	**80.91**	**(3,126.52)**	**(7,817.01)**
8	Tax expenses	-	-	-	-
9	**Profit/(loss) after taxes (8-9)**	**(2,501.07)**	**80.91**	**(3,126.52)**	**(7,817.01)**
10	Paid up equity share capital (Face value-Rs.10 each)	35,813.00	35,813.00	33,514.40	35,813.00
11	Reserves (excluding revaluation reserve, if any)	-	-	-	(46,464.57)
12	Earning per share (before extraordinary item) (in Rs.) **(not annualised)**				
	Basic	(0.70)	0.02	(0.93)	(2.26)
	Diluted	(0.70)	0.02	(0.93)	(2.26)
	Part II				
A	**Particulars of Shareholding**				
1	Public shareholding				
	- Number of shares	155,289,030	155,289,030	153,144,030	155,289,030
	- Percentage of shareholding	43.36%	43.36%	45.70%	43.36%
2	Promoters and promoter group shareholding				
	a) Pledged/ encumbered				
	- Number of shares	136,885,495	136,885,495	136,885,495	136,885,495
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	67.48%	67.48%	75.21%	67.48%
	- Percentage of shares (as a % of the total share capital of the company)	38.22%	38.22%	40.84%	38.22%
	b) Non encumbered				
	- Number of shares	65,955,475	65,955,475	45,114,502	65,955,475
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	32.52%	32.52%	24.79%	32.52%
	- Percentage of shares (as a % of the total share capital of the company)	18.42%	18.42%	13.46%	18.42%

* Figures for the 3 months ended 31 March 2015 are the balancing figures between audited figures in respect of full financial year and the published year to date figures upto the third quarter of the financial year. Also the figures upto the end of third quarter were only reviewed and not subject to audit.

	Particulars	Quarter ended 31.03.15
B	**Investor Complaints**	
	Pending at the beginning of the quarter	-
	Received during the quarter	-
	Disposed off during the quarter	-
	Remaining unresolved at the end of the quarter	-

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

Date:11 August 2015
Place:New Delhi

Managing Director

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

On an overall basis as on 30 June 2015, the short term liabilities exceed the short term assets by Rs 61,595.81 lakhs, including an amount of INR 32,006.06 lakhs, became payable as per the terms of the first Corporate Debt Restructuring package and further an amount of INR 19,071.89 lakhs will become repayable by 31 March 2016. The above includes, outstanding foreign currency liabilities for purchase of raw material and capital goods aggregating to Rs. 3,109.37 lakhs which are outstanding for a period of more than 3 years as at 30 June 2015. Due to continued liquidity issues, the Company had approached the bankers for a second Corporate Debt Restructuring Package and the same is under active consideration with all consortium member banks.

3 The Solar industry has witnessed turmoil owing to significant downturn in the global market due to structural over supply situation. However, the domestic market as a result of several government initiatives to enhance solar power capacity in India has been showing an upturn off late. The Company which had not been able to utilize its capacity for significant part of last three years, during the previous year, the Company had recommenced the commercial production from the month of August 2014 for supply of certain orders which has resulted in significant capacity utilisation upto the middle of May 2015. Further, subsequent to the quarter end the Company has won further order of 45 MW, as a result of which the plant has recommenced commercial production from 31 July 2015 and expected to operate at full capacity sometime till quarter ending 31 December 2015.

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

The Company's claim to its being eligible for certain capital incentives has been ordered in favour of the Company by the Honorable Delhi High Court. However, the entitlement of the capital incentive will be known upon conclusion of eligibility test which is currently under review by the concerned authorities.

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

4 The Company had been awarded a turnkey contract by MP Urja Vikas Nigam Limited (MP Urja) for setting up of 3MW (in aggregate) SPV Power Plants with a capacity ranging between 10-50 KW per plant, vide letter of intent dated 12 September 2012, through a tender process during the quarter ended 31 December 2012. The contract included design, engineering, supply, installation and commissioning and interfacing of Solar Photovoltaic Power Plants (SPVPP) with 5 years Warranty Cum Comprehensive Maintenance Contract (CMC). In accordance with the stipulated terms of the contract, the Company has deposited earnest money deposit (EMD) amounting to Rs. 60.10 lakhs. Out of the total contract, work orders aggregating to 1.6 MW amounting to Rs. 2,914.13 lakhs was raised on the Company that was required to be executed till 30 June 2013. The Company has raised the bills for having completed 0.1 MW (5 sites) until 31 March 2014 and the dues outstanding in relation to the executed portion amounts to Rs. 177.23 lakhs. The Company had also filed an application seeking extension with MP Urja for completion of the unexecuted work.

During the previous year, the Company had received a final notice from MP Urja rejecting the extension plea and deciding to cancel the work order (other than the 3 sites considered completed by MP Urja) given to the Company alongwith the forfeiture of EMD and imposition of penalty due to the non compliance by the Company. MP Urja had also stated in the notice that it shall take action against the Company on account of breach of terms and conditions of the agreement. The contract stipulates a penalty if there is a delay in completing the work order that can extend to a maximum of 10 % of the order value and MP Urja will be free to purchase the balance goods from elsewhere without notice to the Company and carry out the unexecuted work, at Company's cost and risk. Also, any loss or damage that MP Urja may sustain due to such failure MP Urja shall have a right to recover any loss or damage, if any, from any sum payable to the Company. Further, if recovery is not possible from the Company on account of the Company's failure to pay the losses or damages within one month from the claim, the recovery shall be made under Madhya Pradesh Public Demand Recovery Act or any other law applicable under these circumstances.

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

5 Prior period adjustment:
The results for the current quarter includes legal and professional expense amounting to Rs. 90 lakhs pertaining to the period from 1 October 2014 to 31 March 2015.

6 The Company has incurred expenses in foreign currency (including amortisation of imported machinery) amounting to Rs. 119,134.77 lakhs till 30 June 2015. Such machinery and raw material have been imported without payment of customs duty, being an Export Oriented Unit, on the basis of an undertaking given to customs authorities that the Company shall be able to earn a positive Net Foreign Exchange within ten years from the commencement of its operation. At current quarter end (i.e. after five years of commencement of its operations), the Company's earnings is a negative Net Foreign Exchange Earnings of Rs. 4,807.83 lakhs (previous quarter Rs. 6,585.79 lakhs). On a 5 year block basis the company had achieved the negative NFE of Rs. 26,102.08 lakhs upto 31 March 2014. In the next block of five years starting from 1 April 2014 till end of current quarter, the Company has achieve positive NFE of Rs. 21,294.24 lakhs. As explained in Note 2 above, the ability of the Company to meet its export obligations over the 2nd block of 5 years is dependent on various factors which have created multiple uncertainties, the effect of which , is not ascertainable at present.

7 During the previous year, 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 .

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

9 During the quarter ended 30 June 2014, the Company has entered into two contracts with one of its customers for purchase of raw material (wafers) and supply of solar cells, wherein supplies are to made after conversion of the raw material supplied by the customer resulting in a fixed net margin. The contract stipulates that the Company shall purchase raw material in quantities as mutually agreed in the contract and the payment in respect of the same shall be adjusted from the subsequent supplies of solar cells. Further, as per terms of the contracts, the Company has the primary responsibility for providing the goods or services to the customer or for fulfilling the order. Further significant risk and rewards of ownership in respect of the materials are being transferred to the respective parties under respective contracts. Accordingly, the Company has recorded the transactions at gross amount as purchase of raw material and sale of product as it believes that the both the purchase and sale arrangements are on a Principal to Principal basis.

10 The solar cell manufacturing line includes a process called Light Induced Plating (LIP) currently not utilized fully to conserve the cost of operation. Our technology partner is upgrading the process technology which shall enable full utilization of LIP giving better solar cell efficiency at lower cost. The original cost of these equipments was Rs. 4,492.67 lakhs and present WDV as on 30 June 2015 is Rs. 3,056.22 lakhs. In view of the plans to utilize the machinery in the near future post the development of the necessary technology, the management considers it appropriate that there is no impairment in respect of the said asset.

11 During the current quarter, the company has accrued/ paid managerial remuneration of Rs. 33.93 lakhs and year to date 130.93 lakhs (previous quarter and year to date Rs. 97 lakhs) which is in excess of the limits prescribed under schedule V read with section 197 of the Companies Act, 2013.The Company has filed application to Central government for the approval of the same. However, response of the Central Government is still awaited in this regard. Management is expecting the approval in due course and the remuneration so paid has been charged under the head employees benefit expenses.

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

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

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

Date: 11 August 2015
Place: New Delhi

Managing Director