INDOSOLAR LIMITED
Regd. Office: C-12, Friends Colony (East), New Delhi-110065
STATEMENT OF STANDALONE UNAUDITED RESULTS FOR THE QUARTER ENDED 30 JUNE 2013 **(Rs. in Lakhs)**

Sl. No.	Particulars	3 months ended	Preceding 3 months ended*	Corresponding 3 months ended in the previous year	Year ended
		30.06.2013	31.03.2013	30.06.2012	31.03.2013
		Un-audited	Audited	Un-audited	Audited
	Part I				
1	**Income from operations**				
a	Net sales/income from operations (net of excise duty)	760.11	3,365.91	7.58	5,311.55
b	Other operating income	7.85	3.65	0.08	11.79
	Total income from operations (net)	**767.96**	**3,369.56**	**7.66**	**5,323.34**
2	**Expenses:**				
a	Cost of materials consumed	97.03	3,781.19	(154.47)	5,690.88
b	Purchase of stock in trade	277.36	10.61	-	146.37
c	Changes in inventories of finished goods, work-in-progress and stock in trade	(44.99)	594.40	(127.49)	(1,087.01)
d	Employee benefits expense	95.00	234.06	213.93	893.25
e	Depreciation and amortisation expense	752.66	1,411.42	752.63	3,909.78
f	Power and fuel	43.50	480.91	28.79	1,051.10
g	Foreign exchange loss/(gain) (net)	561.03	(127.77)	227.80	103.34
h	Other expenses	337.58	407.06	255.92	1,430.79
	Total expenses	**2,119.17**	**6,791.88**	**1,197.11**	**12,138.50**
3	**Loss from operations before other income, finance cost and exceptional items (1-2)**	**(1,351.21)**	**(3,422.32)**	**(1,189.45)**	**(6,815.16)**
4	Other income	61.36	81.49	76.57	256.90
5	**Loss from ordinary activities before finance costs and exceptional items (3+4)**	**(1,289.85)**	**(3,340.83)**	**(1,112.88)**	**(6,558.26)**
6	Finance costs	1,914.97	1,964.66	1,295.41	5,924.42
7	**Loss from ordinary activities after finance cost but before exceptional items (5-6)**	**(3,204.82)**	**(5,305.49)**	**(2,408.29)**	**(12,482.68)**
8	Exceptional items gain/ (loss)	-	-	93.82	93.82
9	**Loss from ordinary activities before tax (7+8)**	**(3,204.82)**	**(5,305.49)**	**(2,314.47)**	**(12,388.86)**
10	Tax expenses	-	-	-	-
11	**Loss from ordinary activities after tax (9-10)**	**(3,204.82)**	**(5,305.49)**	**(2,314.47)**	**(12,388.86)**
12	Extraordinary items (net of tax expenses)	-	-	-	-
13	**Loss after taxes (11+12)**	**(3,204.82)**	**(5,305.49)**	**(2,314.47)**	**(12,388.86)**
14	Paid up equity share capital (Face value-Rs.10/-each)	33,514.40	33,514.40	33,514.40	33,514.40
15	Reserves (excluding revaluation reserve, if any)	-	-	-	(24,906.28)
16	Earning per share (before extraordinary item) (in Rs.) **(not annualised)**				
	Basic	(0.96)	(1.58)	(0.69)	(3.70)
	Diluted	(0.96)	(1.58)	(0.69)	(3.70)
17	Earning per share (after extraordinary item) (in Rs.) **(not annualised)**				
	Basic	(0.96)	(1.58)	(0.69)	(3.70)
	Diluted	(0.96)	(1.58)	(0.69)	(3.70)
	Part II				
A	**Particulars of Shareholding**				
1	Public shareholding				
	- Number of shares	128,144,030	128,144,030	128,144,030	128,144,030
	- Percentage of shareholding	38.24%	38.24%	38.24%	38.24%
2	Promoters and promoter group shareholding				
	a) Pledged/ encumbered	136,885,495	136,885,495	136,885,495	136,885,495
	- Number of shares	66.13%	66.13%	66.13%	66.13%
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	40.84%	40.84%	40.84%	40.84%
	- Percentage of shares (as a % of the total share capital of the company)				
	b) Non encumbered				
	- Number of shares	70,114,502	70,114,502	70,114,502	70,114,502
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	33.87%	33.87%	33.87%	33.87%
	- Percentage of shares (as a % of the total share capital of the company)	20.92%	20.92%	20.92%	20.92%

*Figures for the three months ended 31 March 2013 are the balancing figures between the audited figures in respect of the 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 the third quarter were only reviewed and not subject to audit.

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

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

Date : 13 August 2013
Place: New Delhi

Managing Director

1 The Company has incurred significant losses in the current quarter and year ended 31 March 2013 resulting in substantial erosion of its net worth because of which the reference required in case of erosion of more than 50% of peak net worth was made to BIFR on 22 November 2012.

The Solar industry has witnessed turmoil owing to significant downturn in the global market due to structural over supply situation resulting in a significant reduction in prices of PV cells. As a result, the Company has been unable to utilise its capacity as the cost of production of solar cells continued to be higher than the prevailing market prices and the plant has remained shut for a significant part of the quarter and has operated at significantly low levels of capacity utilization for the remaining period. Due to the prevailing conditions, the actual net cash inflows in the current quarter and in year ended 31 March 2013 are significantly lower than the projections for the same period incorporated in the first CDR package. Accordingly, the cash flow projections approved as part of the first CDR package are no longer reliable and future cash flows in the light of prevailing conditions is not determinable. Due to continued liquidity issues, the Company has approached the bankers for a second Corporate Debt Restructuring package. The response of the banks is awaited.

Results of key policy decisions necessary for the revival of the sector remain unknown at present. Some of these relate to: a) the imposition of Anti Dumping Duty per the application filed by Solar Manufacturers Association of India dated 18th January 2012; b) domestic content requirements for thin film technology; c) Incentivisation programme for solar projects; and d) eligibility of the Company for certain capital incentives. However, it is noteworthy that Anti Dumping Duty has been imposed by USA in 2012 and by EU in 2013

Overall the short term liabilities exceed the short term assets by Rs. 7,371.77 lakhs. Also, as per the terms of Corporate Debt Restructuring package an amount of Rs. 2,281.89 lakhs representing 3% of the outstanding Term Loans, Funded Interest Term Loans, Working Capital Demand Loan and Priority Term Loan shall become payable in the year ending 31 March 2014. Further, there is a quarterly interest thereon which shall become payable from the beginning of the quarter ending 30 September 2013.
The above factors create multiple uncertainties and the effect thereof on the financial results, if any, is not ascertainable.

2 The Company had been awarded a turnkey contract by MP Urja Vikas Nigam Limited (MP Urja) for setting up of 1530KW (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). The contract was required to be executed till 30 June 2013. However, the Company has executed 75 KW until 30 June 2013. Also, the Company has filed an application in the current quarter seeking extension with MP Urja for completion of the unexecuted work. 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 in the event of delay beyond 10 weeks, MP Urja has the authority to cancel the contract. The likely impact of the loss or damage due to inability or delay to complete the orders by the Company is not quantifiable as the final outcome thereof, is uncertain and the same shall crystallise only after the completion of discussion and necessary clearances from the necessary authorities.

3 The Company has incurred expenses in foreign currency (including amortisation of imported machinery) amounting to Rs. 102,762.98 lakhs till 31 March 2013. Such machinery and raw material have been imported and cleared duty free, being an Export Oriented Unit, on the basis of an undertaking given to customs authorities that the Company shall be able to earn a net positive Net Foreign Exchange within ten years from the commencement of its operation. At current quarter end (i.e. after four years of commencement of its operations), the Company's earnings is a negative Net Foreign Exchange Earnings of Rs. 22,944.99 lakhs. As explained in Note 1 above, the ability of the Company to meet its export obligations over the next 6 years is dependent on various factors which have created multiple uncertainties, the effect of which if any, is not ascertainable.

4 In view of the absence of virtual certainty of realisation of carry forward tax losses/ unabsorbed depreciation in the foreseeable future, deferred tax assets has been recognised to the extent of deferred tax liability.

5 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.

6 IPO proceeds amounting to Rs.15,580.55 lakhs is paid for acquisition of machineries for Line C, Rs.14,386.21 lakhs have been utilised towards repayment of loans from banks/ use for the operations of the Company and Rs. 3,358.24 lakhs has been used for meeting IPO expenses. This is in accordance with the manner the IPO proceeds could have been utilised as specified in the prospectus. The balance of the IPO proceeds amounting to Rs. 2,375.00 lakhs pending utilisation, has been invested in interest bearing liquid instruments and bank deposits.

7 The above results were reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 13 August 2013. The statutory auditors of the Company have carried out the limited review of the financial results for the quarter ended 30 June 2013 and have modified the report in relation to the following matters: Treatment of demurrage charges amounting to Rs. 1,365.94 lakhs; multiple uncertainties due to various factors resulting in inability to provide a basis for opinion. 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 : 13 August 2013
Place : New Delhi

Managing Director