



January 25, 2016

To
The Assistant Vice President
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex
Mumbai - 400 050

To
The General Manager
BSE Limited
Department of Corporate Services
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai - 400 001

Sub.: Submission of Unaudited Quarterly Financial Results for the quarter and nine months ended 31st December, 2015

Dear Sir(s),

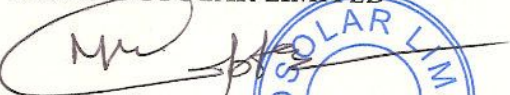
In compliance with Regulation 33(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached the Quarterly Unaudited Financial Results for the quarter and nine months ended 31st December, 2015 accompanied with limited review report issued by statutory auditor that was recommended by audit Committee and approved by the Board of Directors in their meeting held on 25th January, 2016 respectively.

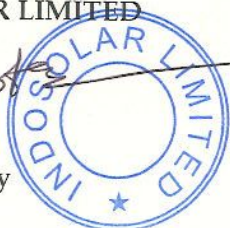
This is for your kind information and record, please.

Thanking you

Yours truly

FOR INDOSOLAR LIMITED


Manish Gupta
Company Secretary



Encl.: As above

INDOSOLAR LIMITED

CIN: L18101DL2005PLC134879

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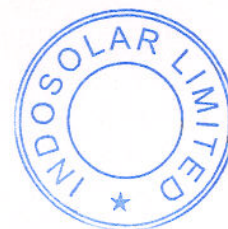
STATEMENT OF STANDALONE UNAUDITED RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2015

(Rs. in Lakhs)

Sl. No.	Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Year to date figure for current period ended	Year to date figure for the previous year ended	Previous Year ended
		31.12.2015	30.09.2015	31.12.2014	31.12.2015	31.12.2014	31.03.2015
		Un-audited	Un-audited	Un-audited	Un-audited	Un-audited	Audited
	Part I						
1	Income from operations						
a	Net sales/income from operations (net of excise duty)	7,959.16	2,721.34	10,424.24	15,794.88	14,820.18	29,193.27
b	Other operating income	1.31	35.09	11.27	40.30	13.68	404.01
	Total income from operations (net)	7,960.47	2,756.43	10,435.51	15,835.18	14,833.86	29,597.28
2	Expenses:						
a	Cost of materials consumed	5,359.69	1,691.12	6,771.38	10,639.05	9,644.49	18,542.47
b	Purchase of stock in trade	54.80	48.93	24.72	187.99	326.01	326.01
c	Changes in inventories of finished goods, work-in-progress and stock in trade	517.01	505.47	417.31	246.24	(38.33)	986.11
d	Employee benefits expense (Refer note 7)	323.90	316.62	343.89	983.35	649.18	1,038.53
e	Depreciation and amortisation expense	708.61	648.96	381.55	2,012.95	1,983.94	2,698.34
f	Power and fuel	422.71	302.60	548.42	1,121.08	1,222.20	1,706.67
g	Foreign exchange loss (net)	(11.00)	70.37	-	60.01	-	-
h	Other expenses	773.69	488.88	621.57	2,002.50	1,400.99	2,224.89
	Total expenses	8,149.41	4,072.95	9,108.84	17,253.17	15,188.48	27,523.02
3	Profit/(loss) from operations before other income, finance cost (1-2)	(188.94)	(1,316.52)	1,326.67	(1,417.99)	(354.62)	2,074.26
4	Other income	15.22	25.32	93.76	61.39	289.67	392.16
5	Profit/(loss) from ordinary activities before finance costs (3+4)	(173.72)	(1,291.20)	1,420.43	(1,356.60)	(64.95)	2,466.42
6	Finance costs	3,657.15	3,526.50	2,472.78	9,793.04	7,832.98	10,283.43
7	Profit/(loss) from ordinary activities before tax (5-6)	(3,830.87)	(4,817.70)	(1,052.35)	(11,149.64)	(7,897.93)	(7,817.01)
8	Tax expenses	-	-	-	-	-	-
9	Net Profit/(loss) after taxes (7-8)	(3,830.87)	(4,817.70)	(1,052.35)	(11,149.64)	(7,897.93)	(7,817.01)
10	Paid up equity share capital (Face value-Rs.10 each)	35,813.00	35,813.00	35,813.00	35,813.00	35,813.00	35,813.00
11	Reserves (excluding revaluation reserve, if any)	-	-	-	-	-	(46,464.57)
12	Basic and Diluted Earning per share (of Rs.10/- each) (not annualised)	(1.07)	(1.35)	(0.30)	(3.11)	(2.23)	(2.26)

Notes to the results for the Quarter and Nine month ended 31 December 2015

- The Company has continued to incur losses in the current quarter and year to date 31 December 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 31 December 2015, the short term liabilities exceed the short term assets by Rs 74,229.49 lakhs, including an amount of INR 54,571.74 lakhs, became payable as per the terms of the first Corporate Debt Restructuring package and further an amount of INR 2139.04 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. 3,166.64 lakhs which are outstanding for a period of more than 3 years as at 31 December 2015. Due to continued liquidity issues, the Company had approached the bankers for a second Corporate Debt Restructuring Package and the same is under consideration with all consortium member banks. During the current quarter, consortium bankers in their joint lenders meeting has decided that banks' are not considering second restructuring proposal as of now and are exploring the possibility of sale to Asset Restructuring Company (ARC) 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 three years, during the previous year, the Company had recommenced the commercial production from the month of August 2014 for supply of certain orders which has resulted in significant capacity utilization upto the middle of May 2015. Further, during the period (June 2015 to December 2015), the Company has won further order of approximately 75 MW, as a result of which the plant has recommenced commercial production with effect from 3 August 2015 and expects to operate at significant level of capacity till March 2016.
During the previous year, there have been some key policy announcements in the guidelines issued under the 'Jawaharlal Nehru National Solar Mission (JNNSM), Phase-II, Batch-I' that provided for bidding with domestic content requirement (both PV/ thin film based cells and modules must be manufactured in India). Certain Public Sector Units (PSU) have also announced solar installation plans with domestic content requirement. The guidelines issued under JNNSM provide that such projects shall be incentivised by way of 'Viability Gap Funding' and the extent of funding shall be determined basis the project cost of setting up of such projects. The impact of these policy decisions in terms of pricing and orders placed on the Company shall be known only in the next few quarters.



The Company's claim to its being eligible for certain capital incentives has been ordered in favour of the Company by the Honorable Delhi High Court directing the concerned authorities to recalculate the threshold limit within four weeks from the date of the order (i.e. 3 July 2015) and to release the incentive to the Company. In the absence of timely response, the Company filed contempt petition in Honourable High Court of Delhi to direct the concerned authorities for the implementation of the order (No. 3625/ 2013) issued by honourable High court of Delhi on 3 July 2015. During the current quarter, concerned authorities has also moved an appeal to the Higher Level Bench of Delhi High court against the earlier order of Honourable High court of Delhi. The entitlement of the capital incentive will be known after the decision of the court in the above cases.

Considering the domestic content requirements as put out in the guidelines and other expression of interests issued by certain PSUs, procurement of recent orders and resumption of production in the second quarter, a techno economic viability conducted by an external expert which forms the basis of the application for seeking a second Corporate Debt Restructuring package (refer note 1 above for current position) 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 31 December 2015 and that it is appropriate to prepare the accounts on a going concern basis.

- 3 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 extension plea and deciding to cancel the work order (other than the 3 sites considered completed by MP Urja) given to the Company alongwith the forfeiture of EMD and imposition of penalty due to the non compliance by the Company.

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

- 4 The Company has incurred expenses in foreign currency (including amortisation of imported machinery) amounting to Rs. 128,355.04 lakhs till 31 December 2015. Such machinery and raw material have been imported without payment of customs duty, being an Export Oriented Unit, on the basis of an undertaking given to customs authorities that the Company shall be able to earn a positive Net Foreign Exchange within ten years from the commencement of its operation (i.e. 16 July 2009). At current quarter end, the Company's earnings is negative Net Foreign Exchange Earnings of Rs. 3,269.14 lakhs.

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

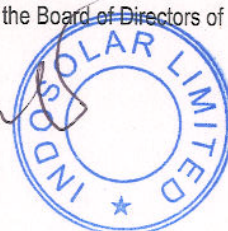
Further it has been noticed : i) while submitting the APR of 2011-12 and APR 2012-13 the company has erroneously considered the domestic purchase of Rs. 331.07 lacs as imported purchase resulting thereby higher forex outflow ii) While submitting the APR of 2009-10 the company has considered full year amortisation of capital expenditure instead of calculating the same from the date of start of commercial production this has resulted in higher amortisation of Rs. 1,409.07 lacs was being considered as out flow forex in that year. If the appeal is accepted by the department, and the impact of above referred correction recognised by the department then till 31 December 2015, NFE would be positive by Rs. 2,335.89 Lakhs.

As explained in Note 1 above, the ability of the Company to meet its export obligations over the next 5 years is dependent on various factors which have created multiple uncertainties, the effect of which, is not ascertainable at present.

- 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 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 31 December 2015 is Rs. 2,982.80 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.
- 7 During the current quarter, the company has accrued/ paid managerial remuneration of Rs 33.60 lakhs and year to date Rs.299.23 lacs (previous quarter 50.59 lacs and year to date Rs. 265.63 lakhs) which is in excess of the limits prescribed under schedule V read with section 197 of the Companies Act, 2013. The Company has filed application to Central government for the approval of the same. However, response of the Central Government is still awaited in this regard. Management is expecting the approval in due course and the remuneration so paid has been charged under the head employees benefit expenses. During the financial year ended 31 March 2015, the amounts disclosed 97.00 lakhs under this note were erroneously considered net of TDS of Rs. 36.20 lakhs for March 2015 and provident fund contribution Rs 15.84 lakhs for March 2015.
- 8 Pending approval of CDR package II (refer note 1 above for current position), the interest on borrowing has been accrued at the rates negotiated as part of CDR package I. However, actual interest may varies upon approval of CDR Package II.
- 9 The above results were reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on 25 January 2016. 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

H.R. Gupta
Managing Director



Date: 25 January 2016
Place: New Delhi

B S R & Co. LLP

Chartered Accountants

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DLF Cyber City, Phase - II
Gurgaon - 122 002, India

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Review report to the Board of Directors Indosolar Limited

1. We have reviewed the accompanying statement of un-audited financial results ('the Statement') of Indosolar Limited ('the Company') for the quarter and Nine months ended 31 December 2015 attached herewith being submitted by the Company pursuant to the requirement of regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors of the Company at their meeting held on 25 January 2016. Our responsibility is to issue a report on these financial results based on our review.
2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. Attention is invited to the following developments as explained in detail in the notes to the financial results:
 - (a) The Company has continued to incur significant losses in the current quarter and year to date resulting in further erosion of its net worth which had already been fully eroded as at 31 March 2014. Further the Company has not met its liabilities (Rs. 54,571.74 lakhs) due on the first corporate debt restructuring package and (Rs. 3,166.64 lakhs) on account of purchase of materials and capital goods. The Company has therefore approached the bankers for a second corporate debt restructuring package on the basis of a technical economic viability study conducted by an external expert. (Note 1)
 - (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 resumption of commercial production. Based on the current orders in hand (approx. 18 Mw), expects to operate at significant level of capacity sometime till March 2016. The note also expands on certain measures taken by the Government to support domestic manufacturers in India including the domestic content requirement, viability gap funding etc. (Note 2)
 - (c) The Company's claim to its being eligible for certain capital incentives is under litigation and the outcome will be known upon conclusion of the litigation. (Note 2)
 - (d) The dispute with MP Urja regarding the turnkey contract and the likely impact of the customers claim is uncertain. (Note 3)

B S R & Co. LLP

On the basis of its overall evaluation of the above factors and as per the techno-economic viability study conducted by an external expert, the Company believes that there is no impairment in respect of carrying value of its fixed assets including capital work in progress as at 31 December 2015 and it is appropriate to prepare the accounts on a going concern basis. In our view, the full erosion of net worth, inability of the Company to meet certain material liabilities and commitments, the impact of the government decisions would be known only in the future, the uncertainty of outcome of claims and uncertainty regarding the second corporate debt restructuring creates material uncertainties. Therefore, the quantum of impairment in respect of carrying value of fixed assets cannot be determined as at present and material uncertainties exist regarding the use of going concern assumption in preparing the financial results.

4. Attention is further invited to note 8 to the financial results regarding approval of the Central Government in respect of managerial remuneration accrued/ paid by the Company amounting to Rs. 33.60 lakhs for the quarter ended 31 December 2015 and Rs. 299.23 lakhs year to date, which is in excess of the limits specified under schedule V read with section 197 of the Companies Act, 2013 which the Company has applied for and is pending as at the date of this report. Our report is not modified in respect of this matter.
5. Based on our review conducted as explained in paragraphs 1 and 2 and subject to our observations in paragraphs 3 above which highlight material uncertainties, the impact of which is currently not ascertainable including the ability of the Company to continue as a going concern read with para 4 above, nothing has come to our attention that causes us to believe that the accompanying statement of un-audited financial results prepared in accordance with applicable accounting standards and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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

Chartered Accountants

ICAI Firm Registration Number: 101248W/W-100022



Rajiv Goyal

Partner:

Membership number: 094549

Place: New Delhi

Date: 25 January 2016