INDOSOLAR™

May 25, 2018

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 – 400 011

Sub.: Outcome of the Board Meeting held on 25th May, 2018
Reference: Regulation 30 and 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015

Dear Sir(s),

We wish to inform that the Board of Directors of Indosolar Limited at its meeting held today (25th May, 2018), has inter alia:

1. Considered and approved and taken on record the Audited Financial Results of the Company for the Quarter and Financial year ended 31st March, 2018

   Pursuant to the Regulation 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, please find attached herewith the following:

   i) Audited Financial Results of the Company for the Quarter and Financial Year ended 31st March, 2018.
   ii) Auditor's Report on Financial Results for the Quarter and Financial Year ended 31st March, 2018.
   iii) Statement on impact of Audit Qualifications for the Financial Year ended 31st March, 2018

2. Considered and approved the Resignation of Mr. Manish Gupta from the post of Company Secretary and Compliance Officer w.e.f 14th May, 2018
3. Considered and approved of the appointment of Mr. A K Aggrawal as Compliance officer of the Company

This is for your kind information and record, please.

Thanking you
Yours truly,
For INDOSOLAR LIMITED

H R GUPTA
MANAGING DIRECTOR
Encl.: As above

INDOSOLAR LIMITED

INDOSOLAR LIMITED
Regd. Office: C-12 Friends Colony (East), New Delhi-110065 INDIA
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Factory: 3C/1, EcoTech - II, Udyog Vihar, Greater Noida - 201 306 (U.P.) - INDIA
Tele: +91 - 120 - 476 2500 | **Fax :** +91 - 120 - 476 2525 **E-mail:** info@indosolar.co.in
CIN-L18101DL2005PLC134879

INDOSOLAR LIMITED

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

Corporate Identification Number (CIN)- L18101DL2005PLC134879

Statement of Audited Financial Results for the Quarter and Year ended 31st March, 2018

(Rs. in Lakhs)

S. No.	PARTICULARS	Quarter Ended			Year Ended	
		31.03.2018	31.12.2017	31.03.2017	31.03.2018	31.03.2017
		(Audited) (refer note no. 13)	(Unaudited)	(Audited) (refer note no. 13)	(Audited)	(Audited)
I	Revenue from operations	5,357.59	5,224.32	11,314.08	31,412.37	44,231.09
II	Other Income	18.42	270.18	210.84	431.15	297.44
III	**Total Income (I + II)**	**5,376.01**	**5,494.50**	**11,524.92**	**31,843.52**	**44,528.53**
IV	**Expenses :**					
	(a) Cost of Materials consumed	4,310.51	4,406.52	6,764.72	21,577.99	30,419.79
	(b) Purchases of Stock-in-trade	858.59	267.77	213.25	4,401.94	631.31
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(76.35)	818.93	(759.32)	1,910.30	(1,383.32)
	(d) Employee benefits expense	321.47	373.63	473.26	1,457.67	1,559.90
	(e) Finance costs	1,495.18	(1,912.39)	(758.32)	5,351.94	10,614.91
	(f) Depreciation and amortisation expense	670.48	690.05	726.51	2,810.58	2,912.50
	(g) Other expenses	820.18	933.96	1,558.18	4,203.34	5,552.23
	Total Expenses (IV)	**8,400.06**	**5,578.47**	**8,218.28**	**41,713.76**	**50,307.32**
V	**Profit / (Loss) before exceptional items and tax (III - IV)**	**(3,024.05)**	**(83.97)**	**3,306.64**	**(9,870.24)**	**(5,778.79)**
VI	Exceptional items Gain/(loss) (refer note 10)	(15,700.00)	9,289.04	-	(6,410.96)	-
VII	**Profit / (Loss) before tax (V - VI)**	**(18,724.05)**	**9,205.07**	**3,306.64**	**(16,281.20)**	**(5,778.79)**
VIII	**Tax expense**					
	(a) Current Tax	2.32	-	-	2.32	14.23
	(b) Deferred Tax	-	-	-	-	-
	Total Tax Expense	**2.32**	-	-	**2.32**	**14.23**
IX	**Net Profit/(Loss) after tax (VII - VIII)**	**(18,726.37)**	**9,205.07**	**3,306.64**	**(16,283.52)**	**(5,793.02)**
X	**Other Comprehensive Income /(Loss)**					
	Items to be reclassified to profit or loss	-	-	-	-	-
	Income tax relating to items to be reclassified to profit or loss	-	-	-	-	-
	Items not to be reclassified to profit or loss	20.44	(2.96)	(12.95)	11.55	(11.85)
	Income tax relating to items not to be reclassified to profit or loss	-	-	-	-	-
XI	**Total Comprehensive Income (Comprising Profit/(Loss) and other comprehensive Income (IX + X)**	**(18,705.93)**	**9,202.11**	**3,293.69**	**(16,271.97)**	**(5,804.87)**
XII	Paid-up equity share capital (Face value of Rs. 10/- each)	37,206.71	37,206.71	35,813.00	37,206.71	35,813.00
XIII	Other Equity				(82,859.67)	(66,664.54)
XIV	Earnings per equity share (EPS) (Face value of Rs. 10/- each) (not annualised):					
	- Basic (Rs.)	(5.03)	2.51	0.92	(4.44)	(1.62)
	- Diluted (Rs.)	(5.03)	2.51	0.92	(4.44)	(1.62)

INDOSOLAR LIMITED

STATEMENT OF ASSETS AND LIABILITIES			(Rs. in Lakhs)
Particulars		As at 31.03.2018 (Audited)	As at 31.03.2017 (Audited)
A.	**ASSETS**		
1	**Non - Current Assets**		
	a) Property, Plant and Equipment	42,636.89	45,217.44
	b) Capital work in progress	25,747.97	56,315.07
	c) Other intangible assets	17.26	7.31
	d) Financial Assets		
	i) Loans	403.90	220.76
	ii) Other Financial Assets	87.27	362.88
	e) Non current tax assets (net)	33.74	29.96
	f) Other non-current assets	1,017.28	1,968.19
	Total Non-Current Assets	**69,944.31**	**104,121.61**
2	**Current Assets**		
	a) Inventories	2,665.61	3,663.68
	b) Financial Assets		
	i) Trade receivables	291.30	1,121.17
	ii) Cash & Cash Equivalents	417.29	664.53
	iii) Bank balances (other than cash and cash equivalents)	352.40	297.10
	iv) Loans	4.77	67.91
	v) Other Financial assets	-	4.71
	c) Other current assets	821.02	1,697.40
	Total Current Assets	**4,552.39**	**7,516.50**
TOTAL - ASSETS		**74,496.70**	**111,638.11**
B.	**EQUITY AND LIABILITIES**		
1	**EQUITY**		
	a) Equity Share Capital	37,206.71	35,813.00
	b) Instruments entirely equity in nature	-	950.00
	c) Other Equity	(82,859.67)	(66,664.54)
	Total Equity	**(45,652.96)**	**(29,901.54)**
2	**LIABILITIES**		
	Non - Current Liabilities		
	a) Financial Liabilities		
	i) Borrowings	30,443.02	474.59
	b) Provisions	48.79	56.55
	Total Non-Current Liabilities	**30,491.81**	**531.14**
	Current Liabilities		
	a) Financial Liabilities		
	i) Borrowings	3,660.31	5,783.50
	ii) Trade Payables	6,237.06	2,740.00
	iii) Other financial liabilities	79,534.93	131,078.46
	b) Other current liabilities	206.68	1,362.22
	c) Provisions	18.87	44.33
	Total Current Liabilities	**89,657.85**	**141,008.51**
TOTAL - EQUITY AND LIABILITIES		**74,496.70**	**111,638.11**

Notes:-

1 The above results have been reviewed by the Audit Committee and thereafter approved by the Board of Directors at their meeting held on May 25, 2018.

2 The Indian Accounting Standards (Ind AS") as notified under the Companies (Indian Accounting Standards) Rules, 2015 are applicable commencing from April 01, 2017 being the date of adoption of Ind AS by the Company. Accordingly, these audited financial results have been prepared in accordance with the standards as specified under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder. The date of transition is April 01, 2016. The impact of transition has been accounted for in the opening reserve and comparative periods have been restated accordingly.

3 Reconciliation between financial results as previously reported (referred to as "Previous GAAP") and Ind AS for quarter and Year ended March 31, 2017 is as below:

(Rs. In Lakhs)

Particulars	**Quarter ended March 31, 2017**	**Year ended March 31, 2017**
Net profit as reported under Previous GAAP	3,240.84	(5,818.52)
Effect of finance cost due to accounting of borrowings as per Effective Interest rate (EIR) method and due to Finance Lease accounting	(21.02)	(86.70)
Effect of depreciation due to capitalization of transaction costs on borrowings, machinery spares and due to Finance Lease accounting	(24.79)	(78.33)
Reclassification of actuarial gains and losses on defined benefit plans (net of tax) to Other Comprehensive Income	12.95	11.85
Other Gain/(loss)	98.66	178.68
Net profit for the period under Ind AS	**3,306.64**	**(5,793.02)**
Other Comprehensive Income (net of tax expense)	(12.95)	(11.85)
Total Comprehensive Income under Ind AS as reported	**3,293.69**	**(5,804.87)**

Reconciliation of Equity between previous Indian GAAP and Ind AS is as under:

(Rs. In Lakhs)

Particulars	**As at March 31, 2017**
Equity as reported under previous GAAP	**(29,647.29)**
Adjustment to restate to Ind AS:	
Effect of accounting of transaction costs (Processing fees) on borrowings as per Effective Interest rate (EIR) method	(393.46)
Reversal of depreciation on Transaction costs (Processing fees) on borrowings capitalized under IGAAP	111.02
Equity component of interest free loan from a promoter, classified as equity from long term borrowings	384.24
Interest unwinding on interest free loans from a promoter	(178.31)
Effect of of re-classification of Stores and Spares as Property, Plant and Equipment	(147.98)
Provision for expected credit losses on Trade receivables	(4.34)
Effect of treating the leasehold land as finance lease	(25.42)
Equity as per Ind AS	**(29,901.54)**

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4 The operations of the company relate to single segment i.e manufacturer of Solar Photovoltaic Cells.

5 During the year the Company has received the approval of One Time Settlement ('OTS') Scheme from Union Bank of India ('Bank') vide sanction letters (i) dated 20.10.2017 bearing reference no. REF:IFB:CR:IND:2017-18/2010; (ii) dated 26.10.2017 bearing reference no. REF:IFB:CR:IND:2017-18/2610; and (iii) dated 19.12.2017 bearing reference no. REF:IFB:CR:IND:2017-18/1912 (hereinafter referred to as the "Sanction Letters for OTS") which were duly approved by the Board of Directors in their meeting held on 20th December, 2017. The OTS proposal contains: (a) the waiver of interest till March 2018 which includes interest of Rs. 20,707.50 lakhs recognized in the books of account till September 2017, (b) restructuring of loan liability amounting to Rs. 20,866.44 lakhs, carrying interest @ 1 Y MCLR (presently 8.20%) on monthly basis. MCLR to be rest on annual basis subject to a minimum of 8.20% p.a. and payable in 29 installments commencing from 31.10.2017 and ending on 31.03.2024, (c) conversion of part of the loan amounting to Rs. 20,700.00 lakhs into 1% Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS) which are redeemable in 16 quarterly installments commencing from 30.06.2024 and ending on 31.03.2028. If the company does not pay as per stipulations, the OTS proposal will stands cancelled automatically and the bank will take suitable legal steps for recovery of entire dues. The Bank has option to convert OCCRPS into equity shares, in case of default in the payment of principal sum of the OCCRPS and Coupons on the Due Date. Provided that, a time period of 60 days to correct the default for the respective installments are allowed to the Company.

6 As on 31st March 2018, the current liabilities exceed the current assets by Rs.85,105.46 lakhs. Due to non-fulfillment of its obligations under CDR package the company exited from CDR mechanism, in the meeting of CDR EG, held on 29th September 2016. As Company's accounts became Non-Performing Assets ("NPA") long term borrowings had been classified as current liabilities except Union Bank of India Settlement as referred above. The management has evaluated the impact of CDR exit and is of the view that there would not be any material impact of the same on the financial results.

7 In the matter of company's claim for eligibility of capital subsidy under SIP scheme of Govt. of India, the Special Leave petition (SLP) filed by the Department of Information Technology (DIT) against the order of the Hon'ble High Court of Delhi has been dismissed by the Hon'ble Supreme court vide its order dated August 25, 2017. DIT has since initiated the process of appraisal of the subsidy claim of the company. In the absence of the reasonable assurance, pending appraisal, the claim has not been recognized.

8 The management has performed an assessment of impairment of carrying value of Property, Plant and Equipment under installation, disclosed under CWIP, aggregating to Rs.56,447.97 lakhs as at March 31, 2018. The assessment has been done taking into consideration the future cash flow projections which is based on the expected imposition of anti-dumping/ safeguard duty on imports and the commencement of commercial production of Line-C (under installation). As per such assessment, the management has determined recoverable value of the assets, based on the value in use method and has recognized an impairment loss of Rs.15,000.00 lakhs in the carrying value of Property, Plant and Equipment (CWIP) during the quarter ended December 31, 2017. The Company has further recognised impairment loss of Rs.15,700.00 lakhs (cumulative impairment loss of Rs.30,700.00 lakhs during F.Y. 2017-18) during the quarter 31st March, 2018 due to delay in expected imposition of anti/safegaurd duty which in turn also delayed the process of installation of Line-C.

9 In view of the expected imposition of safeguard/ anti-dumping duty, the management's plan to commence the commercial production of Line-C (under installation) soon, company's claim for capital incentive (SIP) and ongoing settlement process with the remaining lenders, the management believes that it is appropriate to prepare the accounts on a going concern basis.

10 Exceptional items include (i) Waiver of interest by Union Bank of India amounting to Rs. 15,211.12 lakhs, (ii) Gain on modification of loan (treated as extinguishment) due to fair valuation of 1% OCCRPS in part settlement of debt of Union Bank of India amounting of Rs. 9,077.92 lakhs based on discounting rate using the rate of interest applicable on the remaining loans by the bank, (iii) Impairment of Plant & Machinery under installation and shown as capital work in progress amounting to Rs.15,000.00 lakhs during the quarter ended 31st December, 2017.
The Company has further impair Plant & Machinery under installation and shown as capital work in progress amounting to Rs.15,700.00 lakhs during the quarter ended 31st March, 2018

11 i)The Company has not provided interest of Rs.1,242.72 lakhs for the quarter ended 31st March 2018 and Rs. 4,934.74 lakhs for year ended 31st March 2018 on outstanding loans assigned by Andhra Bank and Indian Bank to Asset Reconstruction Company (India) Limited (ARCIL).
ii) On the basis of confirmation received from one of the lending bank namely Corporation Bank in the Non-Performing Assets (NPA) account, the Company's liability to the bank is more by Rs.2,323.88 lakhs as on 31.03.2018 which prima facie appears to be primarily penal interest. Pending receipts of requisite details, their verification and reconciliation of the claim and pending OTS proposal of the Company with the bank, the Company has not provided the same.

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12 Being an Export Oriented Unit, the Company needs to achieve positive NFE during a period of 10 years from the start of commercial production. Till date the Company has spent Rs.185,175.13 lakhs in foreign currency for Raw Material consumption, Stores & Spares and Expenses in foreign currency including amortization of all imported Plant and Machinery and the Company has earned in foreign currency equivalent to Rs. 209,088.39 lakhs as per para 6.9(f) of FTP resulting into positive NFE Rs. 23,913.25 lakhs. In case the Company also amortizes value of Line-C till date (commercial production is yet to start) the Company's NFE will become negative to the extent Rs. 5,494.01 lakhs. In view of the future projections, the management is hopeful of achieving positive NFE and expects no cash outflow on this account.

13 Figures of the quarter ended March 31, 2018 and March 31, 2017 are 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 respective financial year.

14 Figures of the previous periods have been regrouped wherever considered necessary to conform with the current period figures.

On behalf of the Board of Directors

INDOSOLAR LIMITED

Place: Greater Noida

Dated: May 25, 2018

H. R. Gupta

Managing Director

DIN NO. 00297722

Arun K. Gupta & Associates
Chartered Accountants

D-58, East of Kailash,
New Delhi-110 065
Phone : 26287884 Fax : 26472939
Email : info@arunkguptaassociates.com

Independent Auditor's Report on Financial Results of Indosolar Limited Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015

To the Board of Directors
Indosolar Limited

1. We have audited the accompanying financial results of Indosolar Limited ('the Company') for the year ended 31st March, 2018, attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015. Attention is drawn to the fact that the figures for the quarter ended 31 March, 2018 and the corresponding quarter ended in previous year as reported in these financial results are the balancing figures between audited figures in respect of full financial year and published year to date figures up to the end of third quarter of the relevant financial year and have been regrouped where necessary. Also, the figures up to third quarter only had been reviewed and not subjected to an audit. These financial results have been prepared on the basis of the annual audited financial results which are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial results based on our audit of such financial results, which have been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards (Ind AS), prescribed under section 133 of the Companies Act, 2013 ('the Act') read with the relevant rules issued thereunder and other accounting principles generally accepted in India.

2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our 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 year resulting in further erosion of its net worth. The Company has a negative net worth amounting to Rs. 45,652.96 lakhs as on 31st March, 2018. The Company's current liabilities exceeds the current assets by Rs. 85,105.46 lakhs as on 31st March 2018. The Company's long term, short-term borrowings and other current financial liabilities as at 31st March 2018 includes the balances of term loan payable to various lender banks amounting to Rs. 33,522.54 lakhs and Rs.75,463.63 lakhs respectively on becoming non-performing assets. These lender banks have exited from Corporate Debt Restructuring (CDR) Cell vide its letter dated 4th November, 2016. However, in absence of requisite information from the banks, we are unable to comment upon the possible impact of such exit on the carrying value of aforesaid long term, short-term borrowings, other current financial liabilities as at 31st March 2018 and interest expense (including penal interest, if any) for year ended 31st March 2018 and the consequential impact on the accompanying statement.*

ARUN K. GUPTA & ASSOCIATES
CHARTERED ACCOUNTANTS
NEW DELHI

b) In the matter of Company's claim for eligibility of capital subsidy under SIP scheme of Govt. of India, the Special Leave petition (SLP) filed by the Department of Information Technology (DIT), against the order of the Hon'ble High Court of Delhi has been dismissed by the Hon'ble Supreme court vide its order dated August 25, 2017. The uncertainty exists with regard to its quantum and receipt of claim pending its appraisal by Department of Information Technology. In the absence of the reasonable assurance, the management has not recognized the claim. (Refer Note No.7)

c) The Company (being an EOU) is required to meet its NFE commitment under the Foreign Trade Policy on the basis of which the Company has imported certain raw material, stores and spares and machineries without payment of custom duty. As on 31st March, 2018 the Company's NFE is positive by Rs. 23,913.25 lakhs without considering the import value of amortization of Line-C. In case, Company also amortizes the value of Line C (Commercial production yet to start) NFE as on 31st March, 2018 would be negative by Rs.5494.01 lakhs. In case positive NFE not achieved during the stipulated time, the company would be liable to duties and penalties payable in accordance with Notification No. 52/2003 Cus. Dated 31.03.2003. Presently we are unable to comment upon the possible impact if any on the accompanying statement. (Refer Note No 12).

d) The Company has plant and machinery under installation, disclosed under CWIP, aggregating to Rs. 56,447.97 lakhs in respect of which management has recognized a further impairment loss of Rs. 15,700.00 lakhs during the quarter 31st March, 2018 (cumulative impairment loss Rs. 30,700.00 lakhs during F.Y. 2017-18) due to delay in expected imposition of anti/safe guard duty which in turn also delayed the process of installation of Line-C. The above is based on recoverable value of the assets determined using value in use method and is therefore dependent on the various factors considered in making projections by the management. In the absence of sufficient and appropriate audit evidence with respect to the uncertainty underlying the assumptions used in long term projection of the financial statements, we are unable to comment on the carrying value of aforesaid Property, Plant and Equipment and adequacy of the impairment loss recognized during the year ended 31st March, 2018 and the consequential impact, if any, on the accompanying statement. (Refer Note No 8)

e) During the year the Company has received the approval of One Time Settlement ('OTS') Scheme from Union Bank of India ('Bank'). As per the OTS Scheme if the Company is unable to pay as per stipulations, the OTS proposal will stand cancelled automatically and the bank will take suitable legal steps for recovery of entire dues (Refer Note No 5)

On the basis of overall evaluation of the above factors and considering the domestic content requirements under various Government schemes, proposed anti-dumping/safeguard duty on import of solar cell, Company's claim for certain capital incentive from Department of Information Technology (DIT), the Company's continuing efforts to settle with the remaining banker's and Asset Reconstruction Company (India) Limited, the management believes that it is appropriate to prepare the accounts on a going concern basis. *(Refer Note No 9)*

On the basis of overall evaluation of the above factors, in our view, the full erosion of net worth, inability of the Company to meet the financial projections due to operating and cash losses, due to continuing down trend in the solar industry, inability of the Company to meet its 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 on the ability of the Company to meet its export obligations & to install line C acquired in the financial year 2011-12 (appearing in CWIP), due to non-fulfillment of its financial obligations towards the supplier of the plant & technology, indicate

ARUN K. GUPTA & ASSOCIATES CHARTERED ACCOUNTANTS NEW DELHI *the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern and therefore, the Company may not be able to realise its assets and discharge its liabilities in the normal course of business. Consequently, material uncertainties exist regarding the use of going concern assumption in preparing the financial statements.*

In view of above uncertainties we are unable to comment on the ability of the Company to continue as a going concern and consequential classification and adjustment to the accompanying financial statements, if any, that might have been necessary had the financial statements being prepared under liquidation basis. The extent of the effect on the resultant adjustments to the accumulated losses, assets and liabilities as at the year-end is presently not ascertainable.

4. *During the previous year two secured lenders have assigned their outstanding dues to Assets Reconstruction Company (India) Limited (ARCIL). i) Pending finalization of terms of assignment, the company has not provided interest of Rs. 1,242.72 lakhs and Rs. 4934.74 lakhs for the quarter and year ended 31st March, 2018 respectively. As a consequence to this, interest of Rs. 1,242.72 lakhs and Rs. 4934.74 lakhs for the quarter and year ended 31st March, 2018 respectively has been under provided. ii) On the basis of confirmation received from one of the lending bank namely Corporation Bank in the Non-Performing Assets (NPA) account, the Company's liability to the bank is more by Rs. 2323.88 lakhs as on 31.03.2018 which prima facie appears to be primarily penal interest. Pending receipts of requisite details, their verification and reconciliation of the claim and pending OTS proposal of the Company with the bank, the Company has not provided the same.*

   As a consequence to this, interest of Rs.3566.60 lakhs and Rs. 7258.62 lakhs for the quarter and year ended 31st March, 2018 respectively has been under provided. Had the Company provided the interest on loans loss for the quarter ended 31st March, 2018 would have been higher by Rs. 3566.60 lakhs and loss for the year ended 31st March, 2018 would have been higher by Rs.7258.62 lakhs and Current Liabilities and Reserve & Surplus have been under stated by the same.

5. Based on our review conducted as explained in paragraph 1 and 2 and subject to our observations in paragraph 3 which highlight material uncertainties, the impact of which is currently not ascertainable including the ability of the company to continue as a going concern, and our observation in paragraph 4 above regarding non provision of interest, in our opinion and to the best of our information and according to the explanations given to us, these financial results:

   (i) are presented in accordance with the requirements of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015 in this regard; and

   (ii) give a true and fair view in conformity with the Indian Accounting Standards and other accounting principles generally accepted in India of the net loss (including other comprehensive income) and other financial information for the year ended March 31, 2018.

For **ARUN K GUPTA & ASSOCIATES**
Firm Registration No.000605N
Chartered Accountants

ARUN K. GUPTA & ASSOCIATES CHARTERED ACCOUNTANTS NEW DELHI

(SACHIN KUMAR)
PARTNER
M. No. 503204

Place: Greater Noida
Date: 25-05-2018

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2018

[*See* Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]

I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1.	Turnover / Total income	31843.52	31843.52
	2.	Total Expenditure	41713.76	41713.76
	3.	Net Profit/(Loss)	(16271.97)	(16271.97)
	4.	Earnings Per Share	(4.44)	(4.44)
	5.	Total Assets	74496.70	74496.70
	6.	Total Liabilities	120149.66	120149.66
	7.	Net Worth	(45652.96)	(45652.96)
	8.	Any other financial item(s) (as felt appropriate by the management)	-	-

II. Audit Qualification (each audit qualification separately):

a. **Details of Audit Qualification: Refer to Annexure I**

b. **Type of Audit Qualification :** Qualified Opinion

c. **Frequency of qualification:** Repetitive: Refer Point No.3 to 4

d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Refer Annexure II**

e. **For Audit Qualification(s) where the impact is not quantified by the auditor:**

(i) **Management's estimation on the impact of audit qualification: Nil**

(ii) **If management is unable to estimate the impact, reasons for the same: Refer Annexure II**

(iii) **Auditors' Comments on (i) or (ii) above: Refer Annexure III**

III. Signatories:

- **Managing Director**
- **CFO**
- **Audit Committee Chairman**
- **Statutory Auditor**

Place: Greater Noida
Date: 25 May, 2018

Annexure-I

Details of audit qualifications:

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 year resulting in further erosion of its net worth. The Company has a negative net worth amounting to Rs. 45,652.96 lakhs as on 31st March, 2018. The Company's current liabilities exceed the current assets by Rs. 85,105.46 lakhs as on 31st March 2018. The Company's long term, short-term borrowings and other current financial liabilities as at 31st March 2018 includes the balances of term loan payable to various lender banks amounting to Rs. 33,522.54 lakhs and Rs.75,463.63 lakhs respectively on becoming non-performing assets. These lender banks have exited from Corporate Debt Restructuring (CDR) Cell vide its letter dated 4th November, 2016. However, in absence of requisite information from the banks, we are unable to comment upon the possible impact of such exit on the carrying value of aforesaid long term, short-term borrowings, other current financial liabilities as at 31st March 2018 and interest expense (including penal interest, if any) for year ended 31st March 2018 and the consequential impact on the accompanying statement.

   b. In the matter of Company's claim for eligibility of capital subsidy under SIP scheme of Govt. of India, the Special Leave petition (SLP) filed by the Department of Information Technology (DIT), against the order of the Hon'ble High Court of Delhi has been dismissed by the Hon'ble Supreme court vide its order dated August 25, 2017. The uncertainty exists with regard to its quantum and receipt of claim pending its appraisal by Department of Information Technology. In the absence of the reasonable assurance, the management has not recognized the claim. (Refer Note No.7)

   c. The Company (being an EOU) is required to meet its NFE commitment under the Foreign Trade Policy on the basis of which the Company has imported certain raw material, stores and spares and machineries without payment of custom duty. As on 31st March, 2018 the Company's NFE is positive by Rs. 23,913.25 lakhs without considering the import value of amortization of Line-C. In case, Company also amortizes the value of Line C (Commercial production yet to start) NFE as on 31st March, 2018 would be negative by Rs.5494.01 lakhs. In case positive NFE not achieved during the stipulated time, the company would be liable to duties and penalties payable in accordance with Notification No. 52/2003 Cus. Dated 31.03.2003. Presently we are unable to comment upon the possible impact if any on the accompanying statement. (Refer Note No 12).

   d. The Company has plant and machinery under installation, disclosed under CWIP, aggregating to Rs. 56,447.97 lakhs in respect of which management has recognized a further impairment loss of Rs. 15,700.00 lakhs during the quarter 31st March, 2018 (cumulative impairment loss Rs. 30,700.00 lakhs during F.Y. 2017-18) due to delay in expected imposition of anti/safe guard duty which in turn also delayed the process of installation of Line-C. The above is based on recoverable value of the assets determined using value in use method and is therefore dependent

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on the various factors considered in making projections by the management. In the absence of sufficient and appropriate audit evidence with respect to the uncertainty underlying the assumptions used in long term projection of the financial statements, we are unable to comment on the carrying value of aforesaid Property, Plant and Equipment and adequacy of the impairment loss recognized during the year ended 31st March, 2018 and the consequential impact, if any, on the accompanying statement. (Refer Note No 8)

e. During the year the Company has received the approval of One Time Settlement ('OTS') Scheme from Union Bank of India ('Bank'). As per the OTS Scheme if the Company is unable to pay as per stipulations, the OTS proposal will stand cancelled automatically and the bank will take suitable legal steps for recovery of entire dues (Refer Note No 5)

On the basis of overall evaluation of the above factors and considering the domestic content requirements under various Government schemes, proposed anti-dumping/safeguard duty on import of solar cell, Company's claim for certain capital incentive from Department of Information Technology (DIT), the Company's continuing efforts to settle with the remaining banker's and Asset Reconstruction Company (India) Limited, the management believes that it is appropriate to prepare the accounts on a going concern basis. (Refer Note No 9)
On the basis of overall evaluation of the above factors, in our view, the full erosion of net worth, inability of the Company to meet the financial projections due to operating and cash losses, due to continuing down trend in the solar industry, inability of the Company to meet its 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 on the ability of the Company to meet its export obligations & to install line C acquired in the financial year 2011-12 (appearing in CWIP),due to non-fulfillment of its financial obligations towards the supplier of the plant & technology, indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern and therefore, the Company may not be able to realise its assets and discharge its liabilities in the normal course of business. Consequently, material uncertainties exist regarding the use of going concern assumption in preparing the financial statements.

In view of above uncertainties, we are unable to comment on the ability of the Company to continue as a going concern and consequential classification and adjustment to the accompanying financial statements, if any, that might have been necessary had the financial statements being prepared under liquidation basis. The extent of the effect on the resultant adjustments to the accumulated losses, assets and liabilities as at the year-end is presently not ascertainable.

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4. During the previous year two secured lenders have assigned their outstanding dues to Assets Reconstruction Company (India) Limited (ARCIL). i) Pending finalization of terms of assignment, the company has not provided interest of Rs. 1,242.72 lakhs and Rs. 4934.74 lakhs for the quarter and year ended 31st March, 2018 respectively. As a consequence, to this, interest of Rs. 1,242.72 lakhs and Rs. 4934.74 lakhs for the quarter and year ended 31st March, 2018 respectively has been under provided. ii) On the basis of confirmation received from one of the lending bank namely Corporation Bank in the Non-Performing Assets (NPA) account, the Company's liability to the bank is more by Rs. 2323.88 lakhs as on 31.03.2018 which prima facie appears to be primarily penal interest. Pending receipts of requisite details, their verification and reconciliation of the claim and pending OTS proposal of the Company with the bank, the Company has not provided the same.

   As a consequence, to this, interest of Rs.3566.60 lakhs and Rs. 7258.62 lakhs for the quarter and year ended 31st March, 2018 respectively has been under provided. Had the Company provided the interest on loans loss for the quarter ended 31st March, 2018 would have been higher by Rs. 3566.60 lakhs and loss for the year ended 31st March, 2018 would have been higher by Rs.7258.62 lakhs and Current Liabilities and Reserve & Surplus have been under stated by the same

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Annexure-II

Management Comment:

1. **Management is unable to estimate the impact:** Considering the delay in release of domestic content requirement and impassion of safeguard duty on imports ,delay in processing of claim in respect to the company's eligibility for certain capital incentive even after receipt of favorable decision of Supreme court , management believes that a sum of Rs.30,700.00 lakhs, to be provided as impairment in respect of the carrying value of its property, plant and equipment's including capital work in progress as at 31st March 2018

In view of forthcoming safe guard duty and possible release of CPSU Policy for domestic content, possible sanction of Capital Subsidy and ongoing process of Loan Settlement with Other Banks and ARCIL, it is appropriate to prepare the accounts on a going concern basis.

Being EOU, Company is required to meet positive NFE as per foreign Trade policy on the basis of which company's imported certain Raw material and machineries without payment of custom Duty. As on 31st march 2018 the Company's NFE is positive by Rs. 23,913.25 lakhs without considering the amortization of import value of Line-C (Commercial Production yet to start). Incase company amortize the value of Line-C, NFE as on 31st March 2018 would be negative by Rs.5494.01 lakhs. The Company believe that it will achieve Positive NFE within the stipulated time.

2. **Management's estimation on the impact of audit qualification: (i)** In view of the ongoing negotiations with ARCIL for restructuring of debts, the company has decided not to provide interest of Rs.1,242.72 lakhs and Rs.4,934.74 lakhs for the quarter and Year ended March, 2018 respectively. (ii) Company decided not to provide claim of Rs.2,323.88 lakhs of Corporation bank as additional interest/penal interest as on 31st March 2018, pending 'OTS' (One Time Settlement) proposal with the bank.

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Annexure-III

Auditor's Comments on Management Comments:

On the basis of overall evaluation of the factors considered by the management, the full erosion of net worth, inability of the Company to meet the financial projections due to operating and cash losses, due to continuing down trend in the solar industry, inability of the Company to meet its 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 on the ability of the Company to meet its export obligations & to install line C acquired in the financial year 2011-12 (appearing in CWIP),due to non-fulfillment of its financial obligations towards the supplier of the plant & technology, indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern and therefore, the Company may not be able to realise its assets and discharge its liabilities in the normal course of business. Consequently, material uncertainties exist regarding the use of going concern assumption in preparing the financial statements.

Impairment loss of Rs. 15,700.00 lakhs during the quarter 31st March, 2018 (cumulative impairment loss Rs. 30,700.00 lakhs during F.Y. 2017-18) is based on recoverable value of the assets determined using value in use method and is therefore dependent on the various factors considered in making projections by the management. In the absence of sufficient and appropriate audit evidence with respect to the uncertainty underlying the assumptions used in long term projection of the financial statements, we are unable to comment on the carrying value of aforesaid Property, Plant and Equipment and adequacy of the impairment loss recognized during the year ended 31st March 2018.

Pending finalization of terms of assignment with Assets Reconstruction Company (India) Limited (ARCIL), the company has not provided interest of Rs. 1,242.72 lakhs and Rs. 4934.74 lakhs for the quarter and year ended 31st March, 2018 respectively. Further pending OTS proposal the Company has also not provided Rs. 2323.88 lakhs as penal interest as on 31.03.2018 as confirmation received from one of the lending banks namely Corporation Bank.

ARUN K. GUPTA & ASSOCIATES CHARTERED ACCOUNTANTS NEW DELHI

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