INDOSOLAR LIMITED
Regd. Office: C-12, Friends Colony (East), New Delhi-110065
STATEMENT OF STANDALONE UNAUDITED RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2013

(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 period ended	Year ended
		31.12.2013	**30.09.2013**	**31.12.2012**	**31.12.2013**	**31.12.2012**	**31.03.2013**
		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)	264.15	226.49	1,604.27	1,250.75	1,945.64	5,311.55
b	Other operating income	14.94	5.13	0.88	27.92	8.14	11.79
	Total income from operations (net)	**279.09**	**231.62**	**1,605.15**	**1,278.67**	**1,953.78**	**5,323.34**
2	**Expenses:**						
a	Cost of materials consumed	5.01	(1.18)	1,268.46	100.86	1,909.69	5,690.88
b	Purchase of stock in trade	37.81	110.73	61.81	425.90	135.76	146.37
c	Changes in inventories of finished goods, work-in-progress and stock in trade	414.38	64.12	(1,027.00)	433.51	(1,681.41)	(1,087.01)
d	Employee benefits expense	82.19	83.72	212.03	260.91	659.19	893.25
e	Depreciation and amortisation expense	760.79	760.93	937.53	2,274.38	2,498.36	3,909.78
f	Power and fuel	11.13	8.80	199.65	63.43	570.19	1,051.10
g	Foreign exchange loss/(gain) (net)	15.91	311.04	188.19	887.98	231.11	103.34
h	Other expenses	116.49	114.80	238.31	568.87	1,023.73	1,430.79
	Total expenses	**1,443.71**	**1,452.96**	**2,078.98**	**5,015.84**	**5,346.62**	**12,138.50**
3	**Loss from operations before other income, finance cost and exceptional items (1-2)**	**(1,164.62)**	**(1,221.34)**	**(473.83)**	**(3,737.17)**	**(3,392.84)**	**(6,815.16)**
4	Other income	53.31	49.96	53.84	164.63	175.41	256.90
5	**Loss from ordinary activities before finance costs and exceptional items (3+4)**	**(1,111.31)**	**(1,171.38)**	**(419.99)**	**(3,572.54)**	**(3,217.43)**	**(6,558.26)**
6	Finance costs	2,020.29	2,085.64	1,331.61	6,020.90	3,959.76	5,924.42
7	**Loss from ordinary activities after finance cost but before exceptional items (5-6)**	**(3,131.60)**	**(3,257.02)**	**(1,751.60)**	**(9,593.44)**	**(7,177.19)**	**(12,482.68)**
8	Exceptional items gain/ (loss)	-	-	-	-	93.82	93.82
9	**Loss from ordinary activities before tax (7+8)**	**(3,131.60)**	**(3,257.02)**	**(1,751.60)**	**(9,593.44)**	**(7,083.37)**	**(12,388.86)**
10	Tax expenses	-	-	-	-	-	-
11	**Loss from ordinary activities after tax (9-10)**	**(3,131.60)**	**(3,257.02)**	**(1,751.60)**	**(9,593.44)**	**(7,083.37)**	**(12,388.86)**
12	Extraordinary items (net of tax expenses)	-	-	-	-	-	-
13	**Loss after taxes (11+12)**	**(3,131.60)**	**(3,257.02)**	**(1,751.60)**	**(9,593.44)**	**(7,083.37)**	**(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	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	(0.93)	(0.97)	(0.52)	(2.86)	(2.11)	(3.70)
	Diluted	(0.93)	(0.97)	(0.52)	(2.86)	(2.11)	(3.70)
17	Earning per share (after extraordinary item) (in Rs.) **(not annualised)**						
	Basic	(0.93)	(0.97)	(0.52)	(2.86)	(2.11)	(3.70)
	Diluted	(0.93)	(0.97)	(0.52)	(2.86)	(2.11)	(3.70)
	Part II						
A	**Particulars of Shareholding**						
1	Public shareholding						
	- Number of shares	153,144,030	128,144,030	128,144,030	153,144,030	128,144,030	128,144,030
	- Percentage of shareholding	45.70%	38.24%	38.24%	45.70%	38.24%	38.24%
2	Promoters and promoter group shareholding						
	a) Pledged/ encumbered	136,885,495	161,885,495	161,885,495	136,885,495	161,885,495	161,885,495
	- Number of shares	75.21%	78.21%	78.21%	75.21%	78.21%	78.21%
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	40.84%	48.30%	48.30%	40.84%	48.30%	48.30%
	- Percentage of shares (as a % of the total share capital of the company)						
	b) Non encumbered						
	- Number of shares	45,114,502	45,114,502	45,114,502	45,114,502	45,114,502	45,114,502
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	24.79%	21.79%	21.79%	24.79%	21.79%	21.79%
	- Percentage of shares (as a % of the total share capital of the company)	13.46%	13.46%	13.46%	13.46%	13.46%	13.46%

	Particulars	Quarter ended 31.12.13
B	**Investor Complaints**	
	Pending at the beginning of the quarter	-
	Received during the quarter	4
	Disposed of during the quarter	4
	Remaining unresolved at the end of the quarter	-

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

Date : 13 February 2014
Place: New Delhi

Chairman

1 The Company has incurred significant losses in the current quarter and year ended 31 March 2013 resulting in erosion of its net worth. Reference to BIFR was made on 22 November 2012.

The Solar industry 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. The Company has been unable to utilise its capacity as the prices of solar cells in demand did not yield margins owing to higher cost of production of solar cells and consequently, the plant continues to remain shut in the current quarter. Due to the prevailing conditions, the actual net cash inflows in the current quarter, nine months ended 31 December and year ended 31 March 2013 have been significantly lower than the projections for the same period incorporated in the first CDR package.

During the previous quarter, 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). Also, the guidelines 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. Further, some key decisions that are much awaited for providing a sustained impetus remains 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; and b) eligibility of the Company for certain capital incentives.

Accordingly, the cash flow projections approved as part of the first CDR package continues to be unreliable 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.

Overall the short term liabilities exceed the short term assets by Rs. 19,041.67 lacs. 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. Also, as per the terms of Corporate Debt Restructuring package an amount of Rs. 2,472.79 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, interest amounting to Rs. 3,936.88 lacs is remaining unpaid as at 31 December 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 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 100 KW (5 sites) until 31 December 2013 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 till 30 June 2014.

In the quarter ended 30 September 2013, 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 has also provided 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.

Management has contested the claims being made by MP Urja and have sought for extension of time in completing the contract, citing logistical issues from the customers side and delays arising out of delay in handing over the sites. Further, in their response management is also contesting that there were delays on part of MP Urja to issue site completion reports causing further delays in relation to sites that have been completed by the Company. 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.

3 Prior period adjustments:
The results for the quarter ended 30 September 2013 includes capitalisation of the exchange loss on the long term borrowings amounting to Rs. 424.83 lakhs. Out of the same, prior period exchange loss capitalised amounts to Rs. 310.91 lakhs, which pertains to quarter ended 30 June 2013 and Rs. 383.90 lakhs, which pertains to quarter ended 31 March 2013.

4 During the year ended 31 March 2012, the Company had sought for restructuring of its debt and the terms and conditions included provision for additional security from the promoters and pledge of their shares. In addition one of the Consortium banks had through its sanction letter dated 22 March 2012, had requested for exclusive charge on additional 2.5 crores equity shares of the Company in connection with the structuring of short term loan given by the bank. During the quarter ended 31 December 2012 , Greenlite Lighting Corporation, Canada (a promoter group company) entered into an agreement in lieu of the terms specified in the sanction letter for additional funding to the Company and pledged 2.5 crores equity shares held by it in the Company. Further, in the current quarter, the bank sold the pledged shares and the proceeds were utilised towards adjustment of the outstanding dues. The Company had however, omitted to include such pledged shares for disclosure under Part II of the results in accordance with Clause 35 of the Listing Agreement for all the quarters presented in the results from 31 December 2012 onwards. Accordingly, the effect of pledged shares has been taken in the shareholding pattern for all the quarter/ periods/ year disclosed in the results.

Particulars of Shareholding	**30.09.2013**		**31.03.2013**		**31.12.2012**	
	Restated	**Published**	**Restated**	**Published**	**Restated**	**Published**
Public shareholding						
- Number of shares	128,144,030	128,144,030	128,144,030	128,144,030	128,144,030	128,144,030
- Percentage of shareholding	38.24%	38.24%	38.24%	38.24%	38.24%	38.24%
Promoters and promoter group shareholding						
a) Pledged/ encumbered						
- Number of shares	161,885,495	136,885,495	161,885,495	136,885,495	161,885,495	136,885,495
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	78.21%	66.13%	78.21%	66.13%	78.21%	66.13%
- Percentage of shares (as a % of the total share capital of the company)	48.30%	40.84%	48.30%	40.84%	48.30%	40.84%
b) Non encumbered						
- Number of shares	45,114,502	70,114,502	45,114,502	70,114,502	45,114,502	70,114,502
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	21.79%	33.87%	21.79%	33.87%	21.79%	33.87%
- Percentage of shares (as a % of the total share capital of the company)	13.46%	20.92%	13.46%	20.92%	13.46%	20.92%

5 The Company has incurred expenses in foreign currency (including amortisation of imported machinery) amounting to Rs. 105,504.99 lakhs till 31 December 2013. 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 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. 25,166.55 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, th effect of which if any, is not ascertainable.

6 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.

7 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.

8 During the previous quarter, two Independent directors had tendered their resignation expressing their inability to hold such directorship reducing the number of Independent director's to one resulting in the non-compliance with the provisions of Clause 49 of the Listing Agreement. Management had accordingly, informed the stock exchange in its Quarterly Compliance Report on Corporate Governance during the quarter ended 31 December 2013 and 30 September 2013, of the non-compliance with Clause 49 (1A) and (IIA). The Board meeting held on 13 February 2014 has appointed an independent director and accepted the resignation from one of the executive directors to comply with the provisions of Clause 49. Accordingly, the above results were reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on 13 February 2014.

9 The statutory auditors of the Company have carried out the limited review of the financial results for the quarter and nine months ended 31 December 2013 and have modified the report in relation to the following matters: Treatment of demurrage charges amounting to Rs. 1,254.51; Uncertainty over the outcome of the claims and counterclaims in relation to MP order and 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 o
Indosolar Limited

Date : 13 February 2014
Place: New Delhi

Chairman