iNDOSOLAR™

January 30, 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 – 400 001

Sub.: Outcome of the Board Meeting held on 30th January, 2018
Reference: Regulation 30 and 33 of the SEBI (Listing Obligations 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 (30th January, 2018), has inter alia:

1. Considered, approved and taken on record the Unaudited Financial Results of the Company for the quarter and nine months ended 31st December, 2017.

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

   i) Unaudited Financial Results of the Company for the quarter and nine months ended 31st December, 2017.
   ii) Limited Review Report on Financial Results for the Quarter ended 31st December, 2017.

This is for your kind information and record, please.

Thanking you
Yours truly

FOR INDOSOLAR LIMITED

INDOSOLAR LIMITED

Manish Gupta
Company Secretary

Encl.: As above

INDOSOLAR LIMITED
Regd. Office: C-12 Friends Colony (East), New Delhi-110065 INDIA **www.indosolar.co.in**
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INDOSOLAR LIMITED

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

Corporate Identification Number (CIN)- L18101DL2005PLC134879

Statement of Unaudited Financial Results for the Quarter and Nine Months ended 31st December, 2017

(Rs. In Lakhs)

Sl. No.	PARTICULARS	Quarter Ended			Nine Months Ended	
		31.12.2017	30.09.2017	31.12.2016	31.12.2017	31.12.2016
		(Unaudited)	(Unaudited)	(Unaudited) (refer note no. 1)	(Unaudited)	(Unaudited) (refer note no. 1)
I	Revenue from operations	5,224.32	10,061.51	12,799.29	26,054.78	32,917.01
II	Other Income	270.18	44.64	33.89	412.73	86.60
III	**Total Income (I + II)**	**5,494.50**	**10,106.15**	**12,833.18**	**26,467.51**	**33,003.61**
IV	**Expenses :**					
	(a) Cost of Materials consumed	4,406.52	6,787.57	7,133.22	17,267.48	23,655.07
	(b) Purchases of Stock-in-trade	267.77	1,808.56	116.68	3,543.35	418.06
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	818.93	851.18	933.05	1,986.65	(624.00)
	(d) Excise duty on sale of goods	-	-	-	-	-
	(e) Employee benefits expense	373.63	389.79	380.66	1,136.20	1,086.64
	(f) Finance costs *	(1,912.39)	2,901.30	3,928.27	3,856.76	11,373.23
	(g) Depreciation and amortisation expense	690.05	734.95	794.52	2,140.10	2,185.99
	(h) Other expenses	933.96	1,150.26	1,427.18	3,383.16	3,994.05
	Total Expenses (IV)	**5,578.47**	**14,623.61**	**14,713.58**	**33,313.70**	**42,089.04**
V	**Profit / (Loss) before exceptional items and tax (III - IV)**	**(83.97)**	**(4,517.46)**	**(1,880.40)**	**(6,846.19)**	**(9,085.43)**
VI	Exceptional items	9,289.04	-	-	9,289.04	-
VII	**Profit / (Loss) before tax (V - VI)**	**9,205.07**	**(4,517.46)**	**(1,880.40)**	**2,442.85**	**(9,085.43)**
VIII	**Tax expense**					
	(a) Current Tax	-	-	14.23	-	14.23
	(b) Deferred Tax	-	-	-	-	-
	Total Tax Expense	-	-	**14.23**	-	**14.23**
IX	**Net Profit/(Loss) after tax for the period (VII - VIII)**	**9,205.07**	**(4,517.46)**	**(1,894.63)**	**2,442.85**	**(9,099.66)**
X	**Other Comprehensive Income (Loss) net of tax:**					
	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	(2.96)	(2.97)	0.37	(8.89)	1.10
	Income tax relating to items not to be reclassified to profit or loss	-	-	-	-	-
XI	**Total Comprehensive Income for the period (Comprising Profit/(Loss) and other comprehensive Income for the period (IX + X)**	**9,202.11**	**(4,520.43)**	**(1,894.26)**	**2,433.96**	**(9,098.56)**
XII	Paid-up equity share capital (Face value of Rs. 10/- each)	37,207	36,686	35,813	37,207	35,813
XIII	Earnings per equity share (EPS) (Face value of Rs. 10/- each) (not annualised):					
	- Basic (Rs.)	2.51	(1.23)	(0.53)	0.67	(2.54)
	- Diluted (Rs.)	2.51	(1.23)	(0.53)	0.67	(2.54)

* During the quarter, the interest for the period from 1st April to 30th September 2017 amounting to Rs.3,317.83 lakhs on one time settelement with Union Bank of India has been reversed.

Notes to the unaudited financial results for the quarter and nine months ended 31st December, 2017

1. The company adopted Indian Accounting Standards ("Ind AS") effective April 01, 2017 (transition date being April 01, 2016) and accordingly, the financial results for the quarter and nine months ended December 31, 2017 have been prepared in accordance with the recognition and measurement principles laid down in the Ind AS 34 "Interim Financial Reporting" prescribed under section 133 of the Companies Act, 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India. The Ind-AS financial results and financial information for the quarter and nine months ended December 31, 2016 have been presented after incorporating the applicable Ind AS adjustments. This information has not been subjected to any limited review or audit.

2. Reconciliation between financial results as previously reported (referred to as "Previous GAAP") and Ind AS for quarter and nine months ended December 31, 2016 is as below:

(Rs. in lakhs)

Particulars	**Quarter ended December 31, 2016**	**For the nine months ended December 31, 2016**
Net profit/(loss) as reported under Previous GAAP	**(1,911.06)**	**(9,059.36)**
Effect on Finance Cost due to accounting of borrowings as per Effective Interest Rate (EIR) method and due to Finance Lease accounting	(21.90)	(65.68)
Effect on Depreciation due to capitalization of transaction costs on borrowings, machinery spares and due to Finance Lease accounting	(23.03)	(53.54)
Reclassification of actuarial gains and losses on defined benefit plans (net of tax) to Other Comprehensive Income	(0.37)	(1.10)
Other gain/(loss)	61.73	80.02
Net profit/(loss) for the period under Ind AS	**(1,894.63)**	**(9,099.66)**
Other Comprehensive Income (net of tax expense)		
Actuarial gain/ (loss) (net of deferred tax) on defined benefit plans	0.37	1.10
Total Comprehensive Income under Ind AS as reported	**(1,894.26)**	**(9,098.56)**

3. During the period 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.

4. As on 31st December 2017, the current liabilities exceed the current assets by Rs. 82,732.39 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.

5. 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.

6. The management has performed an assessment of impairment of carrying value of Property, Plant and Equipment under installation, disclosed under CWIP, aggregating to Rs. 56,006.97 lakhs as at December 31, 2017. 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.

7. 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.

8. 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.

INDOSOLAR LIMITED

9. The Company has not provided interest of Rs. 1,242.72 lakhs for the quarter ended 31st December 2017 and Rs. 3,692.02 lakhs for the nine months ended 31st December 2017 on outstanding loans assigned by Andhra Bank and Indian Bank to Asset Reconstruction Company (India) Limited (ARCIL).

10. 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. 180,624.39 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. 202,314.81 lakhs as per para 6.9(f) of FTP resulting into positive NFE Rs. 21,690.42 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. 6,508.43 lakhs. In view of the future projections, the management is hopeful of achieving positive NFE and expects no cash outflow on this account.

11. The Company has only one single primary business segment viz. manufacture and sale of Photovoltaic Solar cells.

12. The above results were reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on 30th January, 2018 and had undergone a Limited Review by the Statutory Auditors of the Company. 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

INDOSOLAR LIMITED

H.R. Gupta
Managing Director
DIN: 00297722

Date: **January 30, 2018**
Place: **Greater Noida**

Arun K. Gupta & Associates
Chartered Accountants

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New Delhi-110 065
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LIMITED REVIEW REPORT

To,
The Board of Directors,
Indosolar Limited

1. We have reviewed the accompanying statement of unaudited financial results of Indosolar Limited ("the Company") for the quarter ended December 31, 2017 and year to date from April 01, 2017 to December 31, 2017 ("the Statement") attached herewith, being submitted by the company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on the statement based on our review.

2. We conducted our review in accordance with the Standard on Review Engagements (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 statement is 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 net worth of the Company had been fully eroded during the year ended 31st March 2014 & as on 31st December, 2017 the Company has a negative net worth amounting to Rs. 26,947.02 lakhs. The Company's current liabilities exceed the current assets by Rs. 82,732.39 lakhs as on 31st December 2017. The Company's short term borrowings and other current financial liabilities as at 31st December 2017 include balances payable to various lender banks amounting to Rs. 3,606.61 lakhs and Rs. 74,931.58 lakhs respectively. These lender banks have exited from Corporate Debt Restructuring (CDR) Cell vide its letter dated 4th November, 2016. The Company has provided interest at documented rate (also refer point no.4 below). However, in the 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 short term borrowings, other current liabilities as at 31st December, 2017 and interest expense (including penal interest, if any) for the quarter and nine months ended 31st December, 2017 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. In the*

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absence of the reasonable assurance due to pending appraisal by the DIT, the claim has not been recognized.

c) *The Company has not been able to meet its commitment to Special Economic Zone on the basis of which the Company imported certain raw material, stores and spares and machineries without payment of custom duty even after considering the DTA sale of Rs. 3,864.89 lakhs for which Company had filed an appeal before the relevant authorities to consider the DTA sale for calculation of NFE under para 6.9 (f) of Foreign Trade Policy (FTP) in place of para 6.8 of the FTP. However, the Company has lodged its claim for inclusion of DTA Sales of Rs. 3,864.89 lakhs in APR for the year ended 31-03-2014. The management believes that the Company is eligible for the same. As on 31st December, 2017 the Company's NFE is positive by Rs. 21,690.42 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 December, 2017 would be negative by Rs. 6,508.43 lakhs. Also refer note 10 to the Financial Statements.*

d) *As explained in note 5 of the financial statements, the Company has plant and machinery under installation, disclosed under CWIP, aggregating to Rs. 56,006.97 lakhs in respect of which management has recognized an impairment loss of Rs. 15,000.00 lakhs during the quarter ended 31 December, 2017 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 the long term projections referred to in note 5 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 quarter ended 31 December, 2017 and the consequential impact, if any, on the accompanying statement.*

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.

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 fulfilment of its financial obligations towards the supplier of the plant & technology create material uncertainties. Consequently, material uncertainties exist regarding the use of going concern assumption in preparing the Financial Statements.

ARUN K. GUPTA & ASSOCIATES CHARTERED ACCOUNTANTS

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4. *During the previous year two secured lenders have assigned their outstanding dues to Assets Reconstruction Company (India) Limited (ARCIL). Pending finalization of terms of assignment, the company has not provided interest of Rs. 1,242.72 lakhs and Rs. 3,692.02 lakhs for the quarter and nine months ended 31st December, 2017 respectively. As a consequence to this, interest of Rs. 1,242.72 lakhs and Rs. 3,692.02 lakhs for the quarter and nine months ended 31st December, 2017 respectively has been under provided. Had the Company provided the interest on such assigned loans, profit for the quarter ended 31st December,2017 would have been lower by Rs. 1,242.72 lakhs and loss for the nine months ended 31st December,2017 would have been Rs. 1249.17 lakhs, as against profit of Rs. 2,442.85 lakhs.*

5. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the applicable Indian Accounting Standards i.e. 'Ind AS' prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

We have not reviewed the accompanying financial results and other financial information for the quarter ended December 31, 2016 and year to date from April 01, 2016 to December 31st 2016 which have been prepared solely based on the information compiled by management.

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

Place: Greater Noida
Dated: January 30, 2018

Gireesh Kumar Goenka
Partner
M. No. 096655