INDOSOLAR LIMITED
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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

1 The Company has continued to incurr 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 Decmber 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.

2 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 threshhold 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 abcense of timely response, the Company filled 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 errorrneously 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

Date:25 January 2016
Place: New Delhi

H.R. Gupta
Managing Director