INDOSOLAR™

November 26, 2016

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

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

Sub.: Submission of Unaudited Quarterly Financial Results for the quarter and six months ended 30th September, 2016

Dear Sir(s),

In compliance with Regulation 33(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached the Unaudited Financial Results for the quarter and six months ended 30th September, 2016 that was recommended by Audit Committee and approved by the Board of Directors in their meeting held on 26th November, 2016 respectively.

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
CIN: L18101DL2005PLC134879
Regd. Office: C-12, Friends Colony (East), New Delhi- 110065
Tel.: 011-26841375, Fax: 011-26843949
E mail: secretarial@indosolar.co.in, Website: www.indosolar.co.in

Statement of standalone Unaudited Financial Results for the Quarter and six months ended 30 September 2016 (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 previous period ended	Previous Year ended
		30.09.2016	**30.06.2016**	**30.09.2015**	**30.09.2016**	**30.09.2015**	**31.03.2016**
	(Refer Notes below)	**Un-audited**	**Un-audited**	**Un-audited**	**Un-audited**	**Un-audited**	**Audited**
1	**Income from Operations**						
a	Net sales/income from operations (net of excise duty)	10,735.08	9,382.64	2,721.34	20,117.72	7,835.72	25,740.93
b	Other operating income	1.32	2.10	35.09	3.42	21.94	27.18
	Total income from Operations (net)	**10,736.40**	**9,384.74**	**2,756.43**	**20,121.14**	**7,857.66**	**25,768.11**
2	**Expenses**						
a	Cost of Materials consumed	9,420.74	7,101.11	1,691.12	16,521.85	5,279.36	18,778.14
b	Purchase of stock in trade	113.87	187.51	48.93	301.38	133.19	302.35
c	Changes in inventories of finished goods and stock in trade	(1,840.21)	283.16	505.47	(1,557.05)	(270.77)	72.33
d	Employee benefits expense	388.53	316.72	316.62	705.25	659.45	1,037.88
e	Depreciation and amortisation expense	692.66	668.30	648.96	1,360.96	1,304.34	2,657.08
f	Power and fuel	605.36	538.85	302.60	1,144.21	698.37	1,598.95
g	Foreign exchange loss (net)	-	17.63	70.37	-	71.01	-
h	Other expenses	912.42	665.67	488.88	1,578.09	1,228.81	3,143.53
	Total Expenses	**10,293.37**	**9,778.95**	**4,072.95**	**20,054.69**	**9,103.76**	**27,590.26**
3	**(Loss)/Profit from operations before other income, finance costs (1-2)**	**443.03**	**(394.21)**	**(1,316.52)**	**66.45**	**(1,246.10)**	**(1,822.15)**
4	Other income	118.90	7.10	25.32	108.37	63.22	215.91
5	**(loss)/Profit from ordinary activities before finance costs (3+4)**	**561.93**	**(387.11)**	**(1,291.20)**	**174.82**	**(1,182.88)**	**(1,606.24)**
6	Finance costs (Refer note 8)	3,723.10	3,600.02	3,526.50	7,323.12	6,135.89	12,520.96
7	**(loss)/Profit from ordinary activities before tax (5-6)**	**(3,161.17)**	**(3,987.13)**	**(4,817.70)**	**(7,148.30)**	**(7,318.77)**	**(14,127.20)**
8	Tax expense	-	-	-	-	-	-
9	**Net (loss)/Profit after tax (7-8)**	**(3,161.17)**	**(3,987.13)**	**(4,817.70)**	**(7,148.30)**	**(7,318.77)**	**(14,127.20)**
10	Paid-up equity share capital (Face value of the share-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)						(60,591.77)
12	Basic and Diluted Earnings per share (of Rs.10/- each) **(not annualised)**	(0.88)	(1.11)	(1.35)	(2.00)	(2.04)	(3.94)

Standalone Statement of Assets and Liabilities **(Rs. in Lakhs)**

	Particulars	**Unaudited**	**Audited**
		As at 30 September 2016	**As at 31 March 2016**
A	**EQUITY AND LIABILITIES**		
1	**Shareholders' funds**		
	(a) Share capital	36,763.00	36,763.00
	(b) Reserves and surplus	(67,740.07)	(60,591.77)
	Sub-total - Shareholders' funds	**(30,977.07)**	**(23,828.77)**
2	**Non-current liabilities**		
	(a) Long-term borrowings	1,105.05	49,319.79
	(b) Long-term provisions	33.68	28.62
	Sub-total - Non-current liabilities	**1,138.73**	**49,348.41**
3	**Current liabilities**		
	(a) Short-term borrowings	6,277.22	6,892.38
	(b) Trade payables	6,120.12	3,781.95
	(c) Other current liabilities	130,513.73	73,997.91
	(d) Short-term provisions	33.11	25.67
	Sub-total - Current liabilities	**142,944.18**	**84,697.91**
	Total - Equity and liabilities	**113,105.84**	**110,217.55**
B	**ASSETS**		
1	**Non-current assets**		
	(a) Fixed assets	103,131.73	104,201.69
	(b) Long-term loans and advances	846.77	827.10
	(c) Other non-current assets	402.78	146.40
	Sub-total - Non-current assets	**104,381.28**	**105,175.19**
2	**Current assets**		
	(a) Inventories	5,525.36	2,633.90
	(b) Trade receivables	604.18	348.77
	(c) Cash and cash equivalents	378.55	83.92
	(d) Short-term loans and advances	2,165.34	1,926.33
	(e) Other current assets	51.13	49.44
	Sub-total - Current assets	**8,724.56**	**5,042.36**
	Total - Assets	**113,105.84**	**110,217.55**

Notes to the audited results for the Quarter ended 30 September 2016

1. The Company has continued to incur losses in the current quarter ended 30 September 2016 resulting in further erosion of its net worth which had already been fully eroded during the year ended 31 March 2014. Accordingly, the Company had, during the year ended 31 March 2015, made reference to Board of Industrial and Financial Reconstruction (BIFR) vide its letter dated 25 November 2014 in accordance with the requirements of Sick Industrial Companies Act, 1985.

   The Company had received a letter from BIFR stating that the product "SOLAR PHOTOVOLTAIC CELL" manufactured by the Company does not feature in the first schedule of Industries Development and Regulation Act, 1951. However, the Company had submitted that such product is covered under the heading 5(1) of the first schedule of Industries Development and Regulation Act, 1951. No further communication has been received from BIFR till date.

   As on 30 September 2016, the current liabilities exceed the current assets by Rs 134,219.62 lakhs. The Company's bank accounts become Non Performing Assets "NPA" due to non fulfillment of its obligations under sanction letters. Under CDR EG meeting, held on 29 September 2016, our case was approved for exit under CDR mechanism and intimation of the same was received on 11 November 2016. All long term borrowings have been considered as current liabilities. The management has evaluated the impact of CDR exit and is of the view that there could not be any material impact of the same on the financial results.

   Subsequent to 30 September 2016, the Company received a communication from Andhra Bank informing absolute assignment transfer of all its debts and securities etc to Asset Reconstruction Company (India) Limited (ARCIL). In the absence of any communication form ARCIL regarding such assignment of facilities, adjustments in the carrying value of borrowings and interest thereon could not be ascertained.

2. Despite significant downturn in global market, as a result of several initiatives by Government of India, the domestic market has been showing an upturn resulting in the Company getting orders and hence continuation of commercial production. Based on the current orders in hand (approx. 136 MW), the Company expects to operate at the significant level of capacity till May 2017.

3. The Company's claim to its being eligible for certain capital incentives has been ordered in favor of the Company by the High Court of Delhi directing the concerned authorities to recalculate the eligibility within four weeks from the date of the order (i.e. 3 July 2015). In the absence of timely response by the department, the Company filed contempt petition in High Court of Delhi and the court again directed the department to comply with the order dated 3 July 2015 within a period of six weeks from 11 May 2016 and has fixed next date of hearing on 5 December 2016. Concerned authorities had also moved an appeal to the Double Bench of High Court of Delhi against the order dated 3 July 2015 of High Court of Delhi for which order is awaited.
   The entitlement of the capital incentive will be known after the decision of the court in the above cases.

4. The Company had been awarded a turnkey contract by MP Urja Vikas Nigam Limited (MP Urja) for setting up of 3MW SPV Power Plants. In accordance with the stipulated terms of the contract, the Company deposited earnest money deposit (EMD) amounting to Rs. 60.10 lakhs. The Company has also raised bills for completed work and the dues outstanding in relation to the executed portion amounts to Rs. 177.23 lakhs. The Company received a notice from MP Urja to cancel the balance work order along-with the forfeiture of EMD and imposition of penalty due to the non-compliance of terms and conditions by the Company. The Company is under final negotiation with MP Urja and believes that the matter will be resolved within financial year 2016-17 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 decision, that may include forfeiture of EMD, adjusting the dues against any loss or damage and levy of penalty, is uncertain and the same shall crystallize only on the conclusion of discussion and the actions that MP Urja may take against the Company.

5. The Company has incurred expenses in foreign currency amounting to Rs.208,171.80 lakhs (including imported machinery, raw material consumed and expenses etc) till 30 September 2016. Being an Export Oriented Unit, Company had imported such machinery and raw material without payment of customs duty, on the basis of an undertaking given to Special Economic Zone that the Company shall be able to earn a positive Net Foreign Exchange (NFE) within ten years from the commencement of its operations (i.e.16 July 2009). As at 30 September 2016, the Company has a positive Net Foreign Exchange Earnings of Rs. 9,919.78 lakhs.

6. The Company has only one single primary business segment viz manufacture and sale of Photovoltaic Solar cells & Modules. Therefore, the disclosure requirements of Accounting Standard - 17 "Segment Reporting" specified under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014 are not applicable.

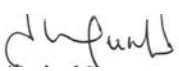
7. The solar cell manufacturing line includes a process called Light Induced Plating (LIP) currently not utilized fully to conserve the cost of operation. The Company's technology partner is upgrading the process technology which shall enable full utilization of LIP giving better solar cell efficiency at lower cost. The original cost of these equipments was Rs. 4,492.67 lakhs and present WDV as on 30 September 2016 is Rs. 2,872.88lakhs. 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.

8. Considering the Government initiatives related to domestic content requirements in solar energy and expression of interests issued by certain Public Sector Units, procurement of recent orders, and favorable decision of the High Court of Delhi in relation to the Company's 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 30 September 2016 and that it is appropriate to prepare the accounts on a going concern basis.

9. The Board of Directors has appointed Statutory Auditor of the Company in its meeting dated 21st November, 2016 to fill casual vacancy and the appointment shall be approved in the general meeting. Auditor shall submit their Limited Review Report after the appointment in the general meeting.

10. The above results were reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on 26 November 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: 26 November 2016
Place: New Delhi

H.R. Gupta
Managing Director
DIN:00297722