INDOSOLAR LIMITED

Regd. Office: C-12 Friends Colony (East), New Delhi-110065, India
CIN- L18101DL2005PLC134879
Website-www.indosolar.co.in

March 24, 2021

The National Stock Exchange of India Ltd
Listing Compliance,
Exchange Plaza, Bandra-Kurla Complex
Bandra East, Mumbai – 400059
Scrip Code: INDOSOLAR

Dear Sir,

Sub: Clarification for Financial Results -INDOSOLAR
Ref: Your email dated February 19, 22 and March 2nd, 2021

With reference to your email dated February 19, 22 and March 02, 2021 regarding the quick result submitted to the Exchange dated 12-Feb-2021 of the company please note the clarification for the following deficiency/non submission:

Sr. No.	Deficiency/Non submission	Clarification
1.	Segment details not submitted	Single Segment i.e. ("Solar")
2.	The company has not submitted the Statement of Modified Opinion or in case of unmodified opinion(s), a declaration to that effect to the Stock Exchange.	The Company has modified opinion please find enclosed annexures.
3.	Financial results submitted is not as per format prescribed by SEBI	Revised Financial Results duly signed by CFO and Resolution Professional* of the Company is attached as **Annexure I** .
4.	Financial results submitted is not as per format prescribed under Schedule III of the Companies Act, 2013.	

*Note: Appointment letter of Resolution Professional is herewith enclosed as **Annexure A** for your reference.

Kindly take the same on your record.

Thanking you,

Yours faithfully,
For Indosolar Limited
(Company under corporate insolvency process
Process by NCLT order dated 12th April, 2019)

Sonam Prasad.

(Sonam Prasad)
Company Secretary
Issued with approval of Mr. Gulshan Gaba
Resolution Professional for Indosolar Limited
(Indosolar Limited is under Corporate Insolvency Resolution Process pursuant to the provisions of the Insolvency and Bankruptcy Code 2016. Its affairs, business and assets are being managed by Mr. Gulshan Gaba Resolution Professional appointed by Hon'ble National Company Law Tribunal vide order dated 12/04/2019)

INDEPENDENT AUDITOR'S REPORT

To the Insolvency Resolution Professional of Indosolar Limited
("A Company under Corporate Insolvency resolution process vide NCLT order")

Report on the Audit of the Financial Statements

Disclaimer of Opinion

We were engaged to audit the accompanying financial statements of **Indosolar Limited** company under CIRP ("the Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including other comprehensive income), the Statement of cash flows and the statement of changes in equity for the year then ended, and notes to accounts, including a summary of significant accounting policies and other explanatory information (herein after referred to as "Financial Statements").

We do not express an opinion on the Financial Statements. Because of the significance of the matters described in the Basis for Disclaimer of Opinion paragraph, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

Basis for Disclaimer of Opinion

1. We were appointed as auditors of the company after March 31, 2020 and thus could not observe the counting of physical inventories at the beginning and end of the year.
   Inventory records were not provided to us for checking. These were not physically verified by us.
   Accordingly, we were unable to satisfy ourselves by alternative means concerning the inventory quantities held at March 31, 2020 and valuation thereof.

2. Gross block and net block of fixed assets as per books are inconsistent with data provided in Fixed Asset register. As a result of this, we are unable to verify the written down value of fixed assets sold during the year and resultant Profit/Loss.

   There is a difference of Rs. 283.80 lakh in net fixed assets in the audited balance sheet for the year ended 31st March 2018 and books of accounts produced before us with a corresponding difference in value of closing stock.

   The Company has a net carrying value of Plant & Machinery of Rs. 7,600.32 lakh, (ii) CWIP of Plant & Machinery Rs. 8,298.65 lakh and (iii) Buildings Rs. 4768.37 lakh as at March 31, 2020.

   As per **"Indian Accounting Standard 36"** which talks about impairment of asset, if the carrying amount of the asset is more than recoverable amount then asset need to be impaired and as per **"Indian Accounting Standard 109"** on financial assets through expected credit loss method basis these provisions we were required to seek for any impairment obligations from management but since the corporate debtors is still under the process CIRP. The management has not determined value in use as on 31st March, 2020 thus

11-CSC, DDA Market, A-Block, Saraswati Vihar, Delhi-110034
Tel.: 011-27020489, 27016986, 9810046631
E-mail: akgca_1980@yahoo.com

of Property, Plant & equipment (Rs. 14,720.19 Lakh), Capital work-in-progress (Rs. 8298.62 Lakh), old trade Receivables which have been standing in the books of account before initiation of CIRP process, accordingly we are unable to ascertain the effect of the same on the financial statements.

Further, the company has not done impairment test and not booked resultant impairment loss as on 31.03.2020.

3. We were unable to confirm or verify balances of accounts receivable and accounts payables included in the Balance Sheet of total amount of Rs.14.26 lakh and Rs.8546.99 lakh respectively as at March 31, 2020.

4. Interest on borrowing in respect of facilities from Corporation bank, Union bank of India and Bank of Baroda has not been booked in the books of account as it is in moratorium period. Being the company under CIRP there is difference in total interest/ penal interest / expenses / other charges of approximately Rs. 101028.27 lakh which pertain to this year or earlier years between claims admitted by Resolution Professional and balances in books as on 16.04.2019.
   So, we are unable to comment on the financial impact of the same on loss for the year.

5. The financial records do not reconcile with the GST Returns and provision of GST related to return filing, deposit of GST etc has not been complied with.

6. The Company (being an EOU) has not been able to meet its commitment under the Foreign Trade Policy on the basis of which the Company imported certain raw material, stores and spares and machineries without payment of custom duty. As on 31st March, 2020 the Company's NFE is positive by Rs. 17,693.23 lakh without considering the import value of amortization of Line-C. However, after amortisation of value of line C NFE becomes negative by Rs. 21,460.26 lakh. The company is not able to achieve positive NFE 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 assess upon the possible impact if any on the accompanying statement.

7. In the matter of Company's claim for eligibility of capital subsidy under SIP scheme of Govt. of India. The uncertainty exists with regard to its quantum and receipt of claim pending its appraisal by Department of Electronics & Information Technology (DEIT). In the absence of the reasonable assurance, the management has not recognized the claim.

8. Company has not complied with companies act with respect to Secretarial Audit and Listing Agreement. Further, in the absence of Secretarial Audit we cannot comment on detailed compliances of Companies Act provisions.

9. Company is under CIRP as explained in Note 45 of Notes to the Financial Statements.

10. The Non-adherence of IND-AS as explained in Note 46 of Notes to the Financial Statements.

As a result of above matters, we were unable to determine whether any adjustments might have been found necessary in respect of assets and liabilities in the Balance Sheet, and the corresponding elements making up the Statement of Profit and Loss and Cash Flow Statement.

Emphasis of Matter

We draw attention to the following matters;

1. Note No 9 of the financial statements regarding inventories. Closing stock of finished goods and raw material has been taken as NIL.

2. Note 45 regarding verification and admission of claim by RP. As per the code the RP has to receive, collate and reconcile all the claims submitted by the creditors of the company. The RP has verified and admitted the claims submitted by the creditors against the company as per the Code.
   Accounting impact in the books of accounts has not been made in respect to excess, short or non-receipts of claim or liabilities for financial and operational creditor. Hence, consequential impact, if any, is not ascertainable and we are unable to comment on the possible financial impacts of the same.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Except for the matters described in the Basis for disclaimer of opinion and Material uncertainty related to going concern, we could not determine whether there are other key audit matters or not to be communicate in our report.

Material Uncertainty related to Going Concern

We draw attention to
1. Note No. 44A (iii) of notes to the financial statements relating to Going Concern.
2. Note No. 45 relation to Corporate Insolvency Resolution Process

In view of above uncertainties we are also 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 31st March 2020 is presently not ascertainable.

Information other than financial statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. We have not obtained the other information comprises of the Financial or non-financial information (other than financial statements and the auditor's report thereon) included in an entity's annual report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance/conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, are required to report that fact. We have nothing to report in this regard.

Management and Those Charged with Governance's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Companies (Accounts) Rules, 2015.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating for ensuring accuracy and completeness of the accounting records relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

A.K.G. & ASSOCIATES ★ CHARTERED ACCOUNTANTS ★ DELHI

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for explaining our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters Specified in paragraphs 3 and 4 of the Order.

As required by section 143 (3) of the Act, we report that:

a) As described in the Basis for Disclaimer of Opinion paragraph, we sought but were unable to obtain all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

b) Due to the possible effects of the matter described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

c) Due to the possible effects of the matter described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

d) Due to the possible effects of the matter described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether the aforesaid financial statements comply with the Accounting Standards under Section 133 of the Act read with the relevant rules issued there under;

e) The matter described in the Basis for Disclaimer of Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.

f) No written representations has been received from the directors as on March 31, 2020, and not taken on record by the Board of Directors regarding disqualification of directors as on March 31, 2020, from being appointed as a director in terms of section 164(2) of the Act. So we are unable to comment upon this.

g) Provisions of ESI and PF have not been complied during the year.

h) Non-Compliance of TDS provisions observed in following cases:

   a) TDS on listing fee of NSE and BSE booked on 01.04.2019 and 02.04.2019 amounting to Rs 5,95,000 and Rs 4,50,000 respectively had not been deducted.

   b) TDS on payment of Rs 1,25,000 made to MS Yadav on 03.04.2019 for the legal & professional expense had not been deducted.

i) The company has not complied with the following provisions of Companies Act 2013 and Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015

   i. Appointment of qualified Company Secretary as the compliance officer as per Regulation 6. During the year Company Secretary was appointed only for the period starting from 26th August 2019 till 31st October, 2019. Non-compliance has been identified for the rest of the period.

   ii. Submission of Annual Secretarial Compliance Report (Regulation 24A).

   iii. Submission of Corporate Governance Report (Regulation 27(2)).

   iv. Submission of unaudited quarterly financial results along with limited review report for the quarter ended Dec 2018.(Regulation 33)

v. MSME Form-1, Active INC – 22A and Forms for directors' resignations.

vi. Appointment of internal auditor (Sec 138 of the Companies Act, 2013).

vii. Accounting Standards (Regulation 48).

viii. Constitution of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, Risk management Committee and Share transfer Committee. (Sec 177 and 178 of the Companies Act, 2013 and Regulation 18, 19, 20, 21 and 40 of SEBI (LODR).

ix. Secretarial audit for the year 2019-20 (Regulation 24A and Sec 204 of the Companies Act, 2013.)

x. Application for CIRP filed on 23rd October, 2018 and thereafter 3 independent directors namely Mr. Vidyut Vora, Ms. Vinati Dev and Mr. Gautam Singh Kuthari has submitted their resignation to company on 26th November 2018. However such directors have not filed form DIR 11 with MCA and company have also not filed form DIR 12. Consequently the company has left with one director only and no board meeting have been called or held thereafter. Further financial statements are approved and signed by only Chief Financial Officer Mr. Anand Kumar Aggarwal.

Further, in the absence of Secretarial Audit we cannot comment on detailed compliances of Companies Act provisions and Regulations of Securities and Exchange Board of India.

j) The reservation relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Disclaimer of Opinion paragraph above.

k) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in "Annexure B". Our report expresses a disclaimer opinion on the adequacy and the operating effectiveness of the company's internal financial controls over financial reporting; and internal audit has also not been taken placed by company.

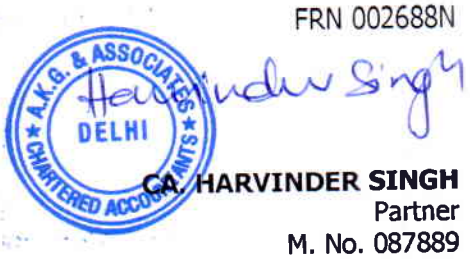
l) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules,2014, in our opinion and to the best of our information and according to the explanations given to us:

i. Due to the possible effects of the matter described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether the Company has disclosed the impact of pending litigations on its financial position in its financial statements;

ii. Due to the possible effects of the matter described in the Basis for Disclaimer of Opinion paragraph, we are unable to state whether the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts;

iii. There is no amount required to be transferred, to the Investor Education and Protection Fund by the Company.

For A.K.G. & ASSOCIATES
Chartered Accountants
FRN 002688N



CA. HARVINDER SINGH
Partner
M. No. 087889
UDIN: **21087889AAAABL8457**

Place: Delhi
Date: 12Th February, 2021

Annexure A to the Independent Auditor's Report

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

1. In respect of its fixed assets

   (a) According to the information and explanation given to us and on the basis of examination of books and records, the company has not maintained the records; however the same was not showing full particulars including quantitative details and situation of fixed assets. Also, Gross block and net block of fixed assets as per books are inconsistent with data provided in Fixed Asset register.

   (b) During the year fixed assets were verified once at the time of initiating the process of CIRP during May 2019 by the resolution professional. However no impact of such verification has been taken in books of accounts.

   (c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company does not have any immovable properties which are freehold and held in the name of company as at the balance sheet date. In respect of immovable properties taken on lease, Lease hold improvements have been disclosed as fixed assets in the financial statements, the lease agreement are in the name of the company. However supplement lease agreement as mentioned in lease deed are not on record.

2. Inventory records have not been provided to us for verification.

3. In our opinion and according to the information and explanations given to us, the company has not granted any loans secured or unsecured to the companies/firms, limited liability partnership or other parties listed in the register maintained under section 189 of the companies Act, 2013.

4. In our opinion and according to the information and explanations given to us, the company has not given loans, guarantees, security or made any investments which need to comply with the section 185 and 186 of Companies Act, 2013.

5. According to the information and explanations given to us, the Company has not accepted any deposit during the year within the meaning of section 73 to 76 or any other relevant provisions of the Companies Act, 2013.

6. The Company is not required to maintain cost records which have been specified by the Central Government under sub-section (1) of section 148 of companies act, 2013.

7. (a)According to the records of the company, the company is generally not regular in depositing undisputed statutory dues including Goods and service tax, Excise Duty, Provident Fund, ESI and other statutory dues applicable over the company.

A.K.G. & ASSOCIATES ★ DELHI ★ CHARTERED ACCOUNTANTS

11-CSC, DDA Market, A-Block, Saraswati Vihar, Delhi-110034
Tel.: 011-27020489, 27016986, 9810046631
E-mail: akgca_1980@yahoo.com

(b)According to the information given to us and as per the books of accounts produced before us, the company has following dues relating to Goods and service tax, sales tax, income tax, custom tax, excise duty, cess as at 31st March,2020 that have not been deposited on account of dispute:

PARTICULAR	As at March 31, 2020 (Rs. In lakh)
a) Duty forgone demand of customs pending settlement*	1,193.43
b) VAT (A.Y. 2014-15)	4.35
Total	1197.78

* Order dated 08.06.2020 has been passed by The Commissioner of Customs, Noida in favour of the company dropping the proceedings.

Further, in the matter of Company's claim for eligibility of capital subsidy under SIP scheme of Govt. of India. The uncertainty exists with regard to its quantum and receipt of claim pending its appraisal by Department of Electronics & Information Technology (DEIT).

8. Based on our audit procedures and according to the information and explanations given to us, the Company has defaulted in repayment of dues to a financial institution or bank or debenture holders. (Refer Note 45 of notes to the financial statements)

9. The company has not raised any money by way of initial public deposit offer, further public offer, debt instrument or term loans during the year.

10. According to the information and explanations given to us, based upon the audit procedures performed and representations made by the management, we report that no fraud on or by the Company has been noticed or reported during course of our audit.

11. In our opinion and according to information and explanation given to us, the company has paid/ provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

12. The company is not a Nidhi company and hence this clause is not applicable.

13. In our opinion and according to information and explanation given to us, all transactions with related parties are in compliance with sections 177 and 188 of Companies Act, 2013 and are disclosed in the financial statements as required by the applicable accounting standards.

14. Company has not made any preferential allotment or private placement of shares or fully or partly convertible or debentures during the year.

15. Based on the representation given by the management, the company has not entered into any non-cash transactions with the directors or other persons connected to directors and hence the provision of section 192 of the companies act is not applicable.

16. The company is not required to be registered under section 45-IA of Reserve Bank of India, 1934.

For A.K.G. & ASSOCIATES
Chartered Accountants
FRN. 002688N

CA. Harvinder Singh
Partner
M. No. 087889
UDIN: **21087889AAAABL8457**

Place: Delhi
Date: 12Th February, 2021

Annexure B to the Independent Auditor's Report

(Referred to in our report of even date)

Report on the Internal Financial Control under Clause (i) of Sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Indosolar Limited** Company under CIRP ("the Company") as on 31st March 2020 in conjunction with our audit of the financial statements of the company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI").

These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India.

Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

A.K.G. & ASSOCIATES ★ DELHI ★ CHARTERED ACCOUNTANTS

11-CSC, DDA Market, A-Block, Saraswati Vihar, Delhi-110034
Tel.: 011-27020489, 27016986, 9810046631
E-mail: akgca_1980@yahoo.com

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected.

Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

Due to insufficient staff and availability of relevant records, in our opinion, the Company does not has an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were not operating effectively as at 31st March, 2020. We have not been provided with the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For A.K.G. & ASSOCIATES
Chartered Accountants
FRN. 002688N

CA. Harvinder Singh
Partner
M. No. 087889
UDIN: **21087889AAAABL8457**

Place: Delhi
Date: 12Th February, 2021

INDOSOLARLIMITED

Regd. Office: C-12 Friends Colony (East), New Delhi-110065, India
CIN- L18101DL2005PLC134879
Website-www.indosolar.co.in Email:cirp.indosolar@gmail.com

Statement of audited Financial Results for the Quarter and year ended on March 31, 2020

(Rs. in Lakh except EPS)

S. No.	Particulars	Quarter Ended			Year Ended	
		31.3.2020	31.12.2019	31.3.2019	31.3.2020	31.3.2019
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
I	**Income**					
	Revenue from Operation	-	-	(0.31)	-	1322.36
	Other Income	30.63	3.06	**10.32**	80.96	290.49
	Total Income (A)	**30.63**	**3.06**	**10.01**	**80.96**	**1612.85**
II	**Expenses**					
	Cost of material consumed	-	-	46.03	-	1142.02
	Purchase of stock in trade	-	-	-	-	92.98
	Change in inventories of finished goods, stock in trade	-	-	-	-	515.39
	Employee Benefits Expense	9.24	9.58	41.76	30.87	455.99
	Finance Costs	3.90	0.02	283.38	4.37	5039.04
	Depreciation and Amortisation Expense	134.20	190.56	570.77	714.78	2413.69
	Other Expenses	64.91	45.42	93.04	165.09	1581.92
	Total Expense (B)	**212.25**	**245.58**	1034.98	**915.11**	**11295.03**
III	**Profit/(Loss) before exceptional items (A-B)**	**(181.62)**	**(242.52)**	**(1024.97)**	**(834.15)**	**(9,682.18)**
IV	**Profit / (Loss) before tax**	**(181.62)**	**(242.52)**	**(1024.97)**	**(834.15)**	**(52,501.30)**
	Tax Expense					
	Current Tax	-	-		-	-
	Deferred Tax	-	-		-	-
	Profit / (Loss) after tax (net)	**(181.62)**	**(242.52)**	**(1024.97)**	**(834.15)**	**(52,501.30)**
V	**Other Comprehensive Income/(loss)** Items that will not be reclassified to profit or loss –Re-measurements of net defined benefit plans	-	-	-	-	5.77
	Total Comprehensive for the period Income (Comprising Profit/(Loss) and other comprehensive Income	**(181.62)**	**(242.52)**	**(1024.97)**	**(834.15)**	**(52,495.53)**
VI	**Paid-up equity share capital (Face value of Rs. 10/- each)**	37206.71	37206.71	37206.71	37206.71	37206.71
VII	**Other Equity**	-	-	-	(135355.20)	-
VIII	**Earnings per equity share (EPS) (Face value of Rs. 10/- each) (not annualised):**	-	-	-	-	-
	- Basic (Rs.)	(0.05)	(0.07)	(0.28)	(0.22)	(14.11)
	- Diluted (Rs.)	(0.05)	(0.07)	(0.28)	(0.22)	(14.11)

GULSHAN GABA

Indosolar Limited(Company under CIRP)
CIN: L18101DL2005PLC134879
Balance Sheet as at 31 March, 2020
(All amounts in Rupees in lakh, unless otherwise stated)

Particulars	Notes	As at 31 March 2020	As at 31 March 2019
Assets			
1 **Non-current assets**			
(a) Property, Plant & Equipment	4(a)	14,720.18	15,430.98
(b) Capital work-in-progress	4(b)	8,298.65	8,298.65
(c) Intangible Assets	4(c)	8.82	12.79
(d) **Financial assets**			
(i) Loans	5	34.22	157.69
(ii) Other financial assets	6	-	-
(e) Deferred tax assets (Net)	7	-	-
(f) Other non-current assets	8	34.84	36.04
Total non current assets		**23,096.71**	**23,936.15**
2 **Current assets**			
(a) Inventories	9	537.34	537.34
(b) **Financial assets**			
(i) Trade receivables	10	14.26	14.53
(ii) Cash and cash equivalents	11	170.72	67.02
(iii) Bank balances (other than cash & cash equivalents)	12	305.11	405.11
(iv) Loans	5	-	-
(v) Other financial assets	6	78.09	55.84
(c) Other current assets	8	948.99	869.44
Total current assets		**2,054.51**	**1,949.28**
TOTAL ASSETS		**25,151.22**	**25,885.43**
Equity and Liabilities			
Equity			
(a) Equity share capital	13(a)(b)	37,206.71	37,206.71
(b) Instruments entirely equity in nature		-	-
(b) Other equity	14	(1,36,189.35)	(1,35,355.20)
Total Equity		**(98,982.64)**	**(98,148.49)**
Liabilities			
1 **Non-current liabilities**			
(a) **Financial liabilities**			
Borrowings	15 and 16	575.70	584.32
(b) Provisions	17	48.79	48.79
Total non current liabilities		**624.49**	**633.11**
2 **Current liabilities**			
(a) **Financial liabilities**			
(i) Borrowings	18	3,558.27	3,557.02
(ii) Trade payables	19	8,547.00	8,570.75
(iii) Other financial liabilities	20	1,10,574.56	1,10,561.10
(b) Other current liabilities	21	811.30	693.70
(c) Provisions	17	18.25	18.25
Total current liabilities		**1,23,509.38**	**1,23,400.81**
TOTAL EQUITY AND LIABILITIES		**25,151.22**	**25,885.43**

Summary of significant accounting policies — **2 & 3**

Note 1 to 48 form an integral part of the balance sheet of the company.

As per our report of even date attached

For **A.K.G & ASSOCIATES**
Chartered Accountants
ICAI Firm registration number: 002688N

Harvinder Singh

CA. HARVINDER SINGH
Partner
Membership No.: 087889

Place: Delhi
Date : 12th feb, 2021

UDIN: 21087889AAABL8457

For and on behalf of the Board of Directors of
Indosolar Limited (Company under CIRP)

Anand Kumar Agarwal
Chief Financial Officer

Taken on Record By
Gulshan Gaba

Resolution Professional
Regn no: IBBI/IPA-001/IP-P00548/2017-18/10978

Gulshan Gaba

Indosolar Limited (Company under CIRP)
CIN: L18101DL2005PLC134879
Cash Flow Statement for the year ended 31 March, 2020
(All amounts in Rupees in lakh, unless otherwise stated)

	For the year ended 31 March 2020	For the year ended 31 March 2019
A. Cash flow from operating activities		
Loss before tax as per Statement of Profit and Loss	**(834.15)**	**(52,501.30)**
Adjustments for:		
Depreciation and Amortisation Expense	714.78	2,413.69
Interest Expenses	4.37	5,093.04
Interest income	(50.38)	(52.39)
Provision for doubtful debts written back	-	-
Provision for doubtful debts	-	799.61
Provision for service tax not recoverable written back		-
Service tax not recoverable written off	-	21.60
Exceptional Items		
-Waiver of Interest on loans	-	42,819.12
-Impairment Losses of Property, Plant & Equipment		
-Gain on modification of loan due to fair valuation of 1% OCCRPS	-	60.18
Bad debts written off		
Demurrage/detention charges	-	3.66
Unrealized Foreign Exchange Rate Difference (Gain) / Loss (Net)	(30.58)	10.39
(Gain) / Loss on Sale of Property, Plant and Equipment (net)	-	(248.49)
Provisions/Liabilities no longer required written back	-	-
Amortised ancillary cost of arranging the borrowings		
Operating profit before working capital changes	**(195.96)**	**(1,580.89)**
Movements in Working Capital :		
(Increase)/decrease in Trade Receivables	0.27	(586.68)
(Increase)/decrease in Inventories	(0.00)	2,128.27
(Increase)/decrease in Other financial assets and Other assets	43.93	180.94
Increase/(decrease) in Trade payables	(23.75)	2,333.69
Increase/(decrease) in Other liabilities and Provisions	121.22	769.36
	(54.29)	**3,244.69**
Cash used from operations	-	-
Direct taxes (paid)/refund received	(54.29)	3,244.69
Net cash generated from operating activities		
B. Cash flow from investing activities	1.20	(2,337.86)
Capital expenditure on Property, Plant and Equipment, including capital work in	-	-
Imapirment Losses of CWIP	30.58	23.33
Proceeds from sale of Property, Plant and Equipment	100.00	(2.71)
Movement in Fixed Deposits with Banks	28.13	33.82
Interest received	159.91	(2,283.42)
Net cash used in investing activities		
C. Cash flow from financing activities		-
Proceeds from issue of share capital	1.21	(197.85)
Proceeds from/ (repayment of) Long term borrowings	1.25	10.82
Proceeds from/ (repayment of) Short term borrowings	(4.37)	(999.68)
Interest paid	(1.91)	(1,186.71)
Net cash used in financing activities	103.71	(225.46)
Net increase in cash and cash equivalents	67.01	292.46
Opening Balance of Cash and Cash Equivalents	-	-
Add: Exchange loss/(gain) on foreign currency in hand	170.72	67.01
Closing Balance of Cash and Cash Equivalents		
Cash and cash equivalent comprises:	-	0.12
Cash in hand	60.72	66.89
Balances with scheduled banks	110.00	-
Deposits with original maturity of less than three months	170.72	67.01

Notes:
(a) The above cash flow statement has been prepared under the "Indirect Method" as set out in the Indian Accounting Standard - 7 Cash Flow Statements specified under Section 133 of the Companies Act, 2013.

(b) Note 1 to 48 form an integral part of the balance sheet of the company.

(c) Cash and Cash equivalents include Cash & Bank Balance only.

As per our report of even date attached

For A.K.G & ASSOCIATES
Chartered Accountants
ICAI Firm registration number: 002688N

Harvinder Singh

CA. HARVINDER SINGH
Partner
Membership No.: 087889

Place: Delhi
Date : 12th feb, 2021

UDIN: 21087889AAAABL8457

For and on behalf of the Board of Directors of
Indosolar Limited (Company under CIRP)

Taken on Record
Gulshan Gaba

Anand Kumar Agarwal
Chief Financial Officer

Resolution Professional
Regn no: IBBI/IPA-001/IP-P00548/2017-18/10978

Indosolar Limited (Company under CIRP)

Notes to the financial statements for the year ended 31 March 2020

(All amounts in Rupees lakh, unless otherwise stated)

1. Corporate Insolvency Resolution Process:

As per order of Hon'ble NCLT New Delhi dated 12 April 2019 under the provisions of Insolvency and Bankruptcy Code 2016, the company is under Corporate Insolvency Resolution Process (CIRP). Its affairs, business and assets are being managed by the Resolution Professional. As per the code the RP has to receive, collate and reconcile all the claims submitted by the creditors of the company. Such claims can be admitted by the RP during the CIRP, till the approval of a resolution plan by the COC. The RP has verified and admitted the claims submitted by the creditors against the company as per the Code.

The summary of claims filled by financial creditor, operational creditors and employees and admitted by resolution professional as on 06 March 2020 are as follows:

S.No.	Particulars	Claim Received (INR in Lakh)	Claim Admitted* (INR in Lakh)
1	Financial Creditors	2,13,826.52	2,13,791.49**
2	Operational Creditors	9,372.42	4,712.08
3	Employees***	737.78	261.90

* The process for submission, reconciliation and admission of claims is an on-going process till the time resolution plan is approved by the member of Committee of Creditor. No accounting impact in the books of accounts have been made in respect of excess, short or non –receipts of claims from financial creditor ,operational creditors and employees . Hence, the consequential impact, if any is not ascertainable.

** It includes claim of Bank of Baroda amounting to Rs.25918.78 lakh, Corporation Bank Rs 39576.49lakh, AIRCL- Rs 49974.13lakh and Union Bank of India- Rs 98322.09lakh.

*** A Litigation has been filed by 49 employees of the company for a claim of Rs. 399.49 lakh with the Labour Court at Noida (UP) before initiation of CIRP. However, most of the said employees have also filed their claim with Resolution Professional (RP) which have been admitted by RP on merits. Details of claim received and admitted by RP are available on the website of company.Pendingfinalization of resolution plan, the impact of such claims if any have not been considered in the preparation of the financial statement.

Since the creditors are shown at their carrying value and uncertainty relating to their payable amount, no further MSME interest has been provided during the year.

The Company has not provided any liability towards interest, penal interest charges and any foreign currency fluctuation on claims by financial creditors for the period w.e.f. the Insolvency Commencement Date. No accounting impact in the books of accounts has been made in respect of excess, short or non –receipts of claims for financial and operational creditors.

The Company had shut down its production facilities w.e.f. 15th May, 2018. As a result majority of employees gradually left the organization. Due to lack of human resources and insufficient information, provisions and contingencies can't be completely ascertained and provided in the books. Statutory payments made to authorities (ESI, PF, etc.) during the year 2018-19 are inconsistent with the salary amount booked for the year.

Further, the Company has continued to incur significant losses in the current year resulting in erosion of its net worth. The Company has a negative net worth amounting to Rs. 98982.63 as on 31st March, 2020 (as on 31st March, 2019 Rs 98148.49) and Company's current liabilities exceeds the current assets by Rs121446.23 as on 31.03.2020 (as on 31st March 2019 Rs. 121451.53). The Company's term loan payable to various lender banks becomes non-performing assets.

2. As the powers of the Board of Directors have been suspended, the above statement have not been adopted by the Board of Directors. However, the same have been signed by Mr. Anand Kumar Agarwal, Chief Financial Officer of the Company confirming accuracy and completeness of the results on and taken on record by Mr. GulshanGaba, Resolution Professional.

3. The operation of company relate to single segment i.e, manufacturer of Solar Photovoltaic Cells.

4. During the year 2017-18, the Company has received a communication from Andhra Bank and Indian Bank informing absolute assignment and transfer of all its debts and securities etc. to Asset Reconstruction Company (India) Limited (ARCIL). The Company has not charged any interest for the financial year ending 31 March 2020, 31 March 2019, 31st March 2018 and 31st March 2017.

5. 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. 98982.63 as on 31st March, 2020. The Company's current liabilities exceeds the current assets by Rs. 121446.23 as on 31st March 2020. The Company's term loan payable to various lender banks become non-performing assets. Further, OTS scheme approved by Union Bank of India has been revoked. These conditions/factors raise significant doubt about the Company's ability to continue as a going concern.

   The company is under Corporate Insolvency Resolution Process (CIRP) under Insolvency and Bankruptcy Code. Its affairs, business and assets are being managed by the Resolution Professional appointed by the Hon'ble NCLT New Delhi vide its order dated 12 April 2019 under the provisions of the Code as Interim Resolution Professional and subsequently as per section 22 of the Code as Resolution Professional of Indosolar Limited. Invitation for expression of interest has been issued by Resolution Professional on 03.07.2019 as a result of which two Resolution Plans out of which the Committee of Creditors (COC) has approved the resolution Plan of "Waaree Energies Limited". Waaree Energies Limited vide its letter dated 13/07/2020 has informed the resolution professional that they are withdrawing the resolution plan due to various reasons and further requested to refund the bid bond amount of Rs 1,00,00,000/. The letter was submitted before COC. After detailed discussion among the members of the COC, legal counsel of the COC and chairman it was decided that RP should request the Hon'ble NCLT for early hearing of application filed for approval of resolution plan, subsidy application and request the Hon'ble NCLT to direct the resolution applicant to honour its commitment and execute the plan.

   Considering the above and in expectation of the successful outcome of the above proposals. The management believes and has concluded that it is appropriate to prepare the accounts on going concern basis.

IBBI/IPA-001/IP-P00548/2017-18/10978 GULSHAN GABA

The financial statements do not include any adjustments relating to the recoverability and classification of carrying amounts of the assets and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. In wake of COVID-19 pandemic there is a potential risk although the resolution plan has been approved in COC meeting.

6. Confirmations/ Reconciliation of balances of certain unsecured loans, trade receivables, trade and other payables (including of micro and small enterprises and including capital creditors) and loans and advances are pending.

7. The company is eligible for capital subsidy under SIP scheme of Govt. Of India Department of Electronics & Information Technology (DEIT) has initiated the process of appraisal of the company. In the absence of the reasonable assurance, pending appraisal, the claim has not been recognized. The RP has also filed an application before Hon'ble NCLT for early release NCLT for early release of capital subsidy vide its application dated 02.01.2020 having diary number 0710102000292020.

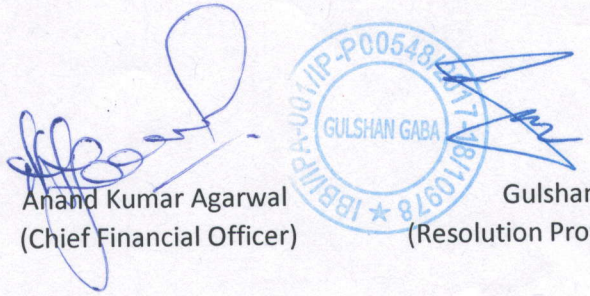
   According to Ind AS 20: Accounting for Government Grants and Disclosure of Government Assistance; Government grants, including non-monetary grants at fair value, shall not be recognized until there is reasonable assurance that:
   (a) the entitywill comply with the conditions attaching to them; and
   (b) the grants will be received.

   As the appraisal of subsidy claim is still pending, the management, in the absence of the reasonable assurance, has not recognized the claim for capital subsidy in accordance with Ind AS- 20.

8. 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. 192,409.58 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 foreign currency equivalent to Rs. 210,102.81 as per para 6.9(f) of FTP resulting into positive NFE Rs. 17,693.23 as on March 31,2020 (FY 18-19: Rs 19,140.38) without considering amortization of imported Plant and machinery, pending installation /commissioning (disclosed as CWIP). 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. 21,460.26 (FY 18-19: Rs 29,624.58).

9. Figures of the quarter ended March 31,2020 and March 31, 2019 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.

For IndosolarLimited
(a company under corporate insolvency resolution process vide NCLT order)



Anand Kumar Agarwal
(Chief Financial Officer)

GulshanGaba
(Resolution Professional)

Place: Delhi
Date: 12-02-2021

INDOSOLAR LIMITED

(a company under corporate insolvency resolution process vide NCLT order)

ANNEXURE-I

Statement on Impact of Audit Qualifications (for audit report with modified opinion)

Submit along-with Annual Audited Financial Results

(Amount in Rs. lakhs, unless otherwise stated)

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020
[See Regulation 33/52 of the SEBI (LODR) (Amendment) Regulations, 2016]

	Sr. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
I.	1.	Turnover / Total income	80.96	80.96
	2.	Total Expenditure	915.11	1,01,943.38
	3.	Net Profit/(Loss)	(834.15)	(1,01,862.42)
	4.	Earnings Per Share of INR 10 each	(0.22)	(27.38)
	5.	Total Assets	25,151.22	25,151.22
	6.	Total Liabilities	1,24,133.87	2,25,162.14
	7.	Net Worth	**(98,982.64)**	**(2,00,010.92)**
	8.	Any other financial item(s) (as felt appropriate by the management)		

II. 1. Audit Qualification:

a. Details of Audit Qualification:

Interest on borrowing in respect of facilities from Corporation bank, Union bank of India and Bank of Baroda has not been booked in the books of account as it is in moratorium period. Being the company under CIRP there is difference in total interest/ penal interest / expenses / other charges of approximately Rs. 1,01,028.27 lakh which pertain to this year or earlier years between claims admitted by Resolution Professional and balances in books as on 16.04.2019.So, we are unable to comment on the financial impact of the same on loss for the year.

b. Type of Audit Qualification: Disclaimer of opinion

c. Frequency of qualification: Repetitive

d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: The claim has been admitted by the resolution professional as per the amount payable by the corporate debtor as on 16.04.2019. Since the company is under CIRP, no interest is required to be paid by the company after commencement of CIRP.

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

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

(ii) If management is unable to estimate the impact, reasons for the same:NA

(iii) Auditors' Comments on (i) or (ii) above:NA

2. Details of Audit Qualification:

The financial statements regarding inventories, Closing stock of finished goods and raw material has been taken as NIL. As per the code the RP has to receive, collate and reconcile all the claims submitted by the creditors of the company. The RP has verified and admitted the claims submitted by the creditors against the company as per the Code.

Accounting impact in the books of accounts has not been made in respect to excess, short or non-receipts of claim or liabilities for financial and operational creditor. Hence, consequential impact, if any, is not ascertainable and we are unable to comment on the possible financial impacts of the same.

A.K.G. & ASSOCIATES ★ CHARTERED ACCOUNTANTS ★ DELHI

	a. **Type of Audit Qualification:** Disclaimer of opinion	
	b. **Frequency of qualification:** repetitive	
	c. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** The Financial impact could not be quantified.	
	d. **For Audit Qualification(s) where the impact is not quantified by the auditor:** (i) **Management's estimation on the impact of audit qualification:** The Financial impact could not be quantified. (ii) **If management is unable to estimate the impact, reasons for the same:** Since the company is under CIRP, Consequential impact of claims being higher than the book balances, if any, has not been considered and will be appropriately dealt with basis the outcome of the proceedings pending with NCLT going forward. (iii) **Auditors' Comments on (i) or (ii) above:** Refer "Basis for Disclaimer of Opinion" and "Emphasis of Matter" in audit report the same is self-explanatory.	
	3. Audit Qualification:	
	a. Details of Audit Qualification:	
	The Company (being an EOU) has not been able to meet its commitment under the ForeignTrade policy on the basis of which the Company imported certain raw material, stores and spares and machineries without payment of custom duty. As on 31st March 2020 theCompany's NFE is positive by Rs, 17,693.23 lakh without considering the import value ofamortization of Line-C. However, after amortisation of value of line C NFE becomes negativeby Rs. 2I,460.26lakh. The company is not able to achieve positive NFE during the stipulatedtime, the company would be liable to duties and penalties payable in accordance withNotification 52/2003 Cus. Dated 31.03.2003. Presently we are unableto assess upon thepossible impact if any on the accompanying statement.	
	b. Type of Audit Qualification: Disclaimer of Opinion	
	c. Frequency of qualification: repetitive	
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: The Financial impact could not be quantified	
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:	
	(i) Management's estimation on the impact of audit qualification: The Financial impact could not be quantified	
	(ii) If management is unable to estimate the impact, reasons for the same:Complete details in this regards are not available with the resolution professional.	
	(iii) Auditors' Comments on (i) or (ii) above: Refer "Basis for Disclaimer of Opinion" and "Emphasis of Matter" in audit report the same is self-explanatory.	
III.	**Signatories:**	
	(Anand Kumar Agarwal) **Chief Financial Officer** **PAN:**AAAPA0706B	**(GulshanGaba)** **Resolution Professional*** **IP Registration No.** IBBI/IPA-001/IP-P00548/2017-18/10978
	Place: Delhi **Dated:** 12-02-2021	
IV.	**Auditors:**	

		Refer our Independent Auditors Report dated 12th February 2021 on Financial Results of the Company. **For A. K. G. & Associates** **Chartered Accountants** **Firm's Registration No.** 002688N **CA. Harvinder Singh** **Partner** **Membership No.** 087889 **Place**: Delhi **Date:** 12-02-2021

*Company is undergoing Corporate Insolvency Resolution Process (CIRP) under the provisions of the Insolvency and Bankruptcy Code, 2016 (Insolvency Code). Mr. GulshanGaba, have been appointed as Interim Resolution Professional (IRP), vide NCLT order dated 12th April, 2019 to carry the functions as mentioned under the Code and later on Committee of Creditors (CoC) approved the appointment of Mr. GulshanGaba, the IRP as Resolution Professional (RP) of the Company. During the continuation of Corporate Insolvency Resolution Process (CIRP) the powers of the Board of Directors of the Company stand suspended effective from the CIRP Commencement date and such powers along with the management of affairs of the Company are vested with the Resolution Professional, i.e. Mr. GulshanGaba.

Signature of Audit Committee Chairman- All the Independent Directors of the Company namely Mr. Gautam Singh Kuthari, Mr. VidyutManubhaiVora and Ms. Vinati Dev, resigned from the Company on 26th November, 2018. Hence, the Audit Committee stands dissolved w.e.f. 27th November, 2018.

IN THE NATIONAL COMPANY LAW TRIBUNAL
PRINCIPAL BENCH, NEW DELHI

(IB)-1481(PB)/2018

IN THE MATTER OF:

Corporation Bank .... Applicant / petitioner

vs.

Indosolar Pvt. Ltd. .... Respondent

Under Section 7 of Insolvency & Bankruptcy Code, 2016

Order delivered on: 12.04.2019

Coram:

CHIEF JUSTICE (RTD.) M. M. KUMAR
HON'BLE PRESIDENT

SH. S. K. MOHAPATRA
HON'BLE MEMBER (TECHNICAL)

PRESENTS:

For the applicant : Mr. Alok Kumar, Ms. Somya Sadava, Ms. Snighda Singh, Advs.

For the Respondent(s):- Mr. Pritpal Singh Nijjar, Mr. Ashish Kumar, Ms. Anubha Dhulia, Advs.

ORDER

M.M. KUMAR, PRESIDENT

The Petitioner claiming to be financial creditor has filed the instant Petition under Section 7 of the Insolvency and Bankruptcy Code, 2016 (for brevity 'the Code') read with rule 4 of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 (for brevity 'the Rules') with a prayer to trigger Corporate Insolvency Resolution Process in respect of respondent Indosolar Pvt Limited (for brevity the 'corporate debtor').

2. The Corporate Debtor – Indosolar Pvt Ltd was incorporated on 08.04.2005 under the provisions of the Companies Act. The identification number of the Corporate Debtor given is CIN L1801DL2005PLC134879.

3. It is submitted by the Petitioner that it had initially granted credit facilities amounting to Rs. 344 Crores which were enhanced to Rs. 460 Crores vide agreement dated 16.01.2009 **(Annexure P6)**. The facility were further enhanced up to Rs. 672.13 Crores vide Working Capital Consortium Agreement dated 28.07.2010. The said facilities were restructured through CDR Mechanism vide Master Restructuring Agreement dated 28.03.2012 **(Annexure P4)**. The details of the facilities have been provided in Part-IV of the petition.

4. The precise case of the Petitioners is that the total amount in default due to the financial creditor by the corporate debtor as on 30.09.2018 is Rs. 364,82,19,929.42/-. The account of the respondent- corporate debtor was classified as NPA on 01.07.2013. The statement showing the computation of the outstanding amount is depicted in tabular form **(Annexure 21).**

5. The Financial Creditor has proposed the name of Mr. Gulshan Gaba as the Insolvency Professional with the address E – 149, First Floor, Opposite Sainik Vihar's Gate – 1, Rishi Nagar, Rani Nagar, New Delhi - 110034 and E-mail-id – gulshan@vpgs.in. His registration number is IBBI/IPA–001/IP–P00548/2017-18/10978. He has filed his written communication which satisfies the requirement of Rule 9(1) of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016 along with the certificate of registration **(Annexure P1)**.

6. In Part-IV of the Petition, the Financial Creditor has given the details of the total amount of the financial debt along with the dates of disbursement. In Column 2 of Part-IV of the Application the Financial Creditor has mentioned the amount claimed in default and the date of the default.

7. In Part V of the Petition the Financial Creditor has mentioned the particulars of the documents and records that substantiate the Loan disbursed and the amount claimed to be in default. A bare perusal of these documents would reveal that Charge was created under Sections 77-78 of the

Companies Act, 2013 duly registered with the Registrar of Companies and vide letter dated 07.11.2017 the corporate debtor has acknowledged the debt. The same are placed on record **(Annexure P19 & Annexure P15)** respectively. Certificate of the financial creditor under the Banker's Book Evidence Act is also attached with the petition **(Annexure P13).**

8. A reply to the petition is filed by one Mr. Anand Kumar Agarwal, being the Authorized signatory of the Respondent-Corporate Debtor, who has been given authority vide Board Resolution dated 10.08.2018.

9. The only objection raised on behalf of the corporate debtor is that Hon'ble Delhi High Court has passed a judgment in favour of the corporate debtor and has decreed their claim subsidy amount in Writ Petition (Civil) No. **2265/2013 dated 03.07.2015.** A copy of the judgment has been placed on record. Thereafter, Letter Patent Appeal No. 837/2015 was filed and the same has been dismissed on 10.04.2017. Even the Special Leave Petition was dismissed on 25.08.2017. Accordingly, the amount of subsidy which was payable to the corporate debtor became due. Even contempt proceedings

were initiated for realising the amount of about Rs. 300 Crores but it could not be realised despite the time granted by us. Therefore, the aforesaid objection cannot be sustained as the liquidity is not available with the corporate debtor so as to meet the liability created on account of various loans facilities availed by the corporate debtor.

As matter of fact, in para 3 of the reply the corporate debtor has stated as under:-

> *"That the Respondent, further, has no objection to the Corporate Insolvency Resolution Process (CIRP) being initiated in relation to the indebtedness of the Respondent to the Petitioner."*

A perusal of the aforesaid para would show that no objection has been raised by the corporate debtor to grant the prayer made by the financial creditor.

10. In view of the aforesaid statement made by the learned counsel for the Respondent-Corporate Debtor, we find that advancement of loan and default stand admitted. Even Otherwise there is overwhelming documentary evidence on record which support those findings.

11. Learned Counsel for the petitioner has argued that all requirements of Section 7 of the Code for initiation of Corporate Insolvency Resolution Process stand fulfilled.

12. Having heard the learned counsels for the Financial Creditor and Corporate Debtor and having perused the paper book with their able assistance we find that the provisions of Section 7 (2) and Section 7 (5) of IBC have been complied with as discussed in detail in our Order dated 27.11.18 rendered in the of ECL Finance Limited vs. Digamber Buildcon Pvt Ltd (IB- 1039(PB)/2018).

13. After a conjoint reading of the aforesaid provision along with Rule 4 (2) of the Insolvency and Bankruptcy (Application to Adjudicating Authority) Rules, 2016, we are satisfied that a default has occurred and the application under sub section 2 of Section 7 is complete. The name of the IRP has been proposed and there are no disciplinary proceedings pending against the proposed Interim Resolution Professional.

14. As a sequel to the above discussion, this petition is admitted and Mr. Gulshan Gaba is appointed as the Interim Resolution Professional.

15. In pursuance of Section 13 (2) of the Code, we direct that Interim Insolvency Resolution Professional shall immediately (3 days) make public announcement with regard to admission of this application under Section 7 of the Code.

16. We also declare moratorium in terms of Section 14 of the Code. It is made clear that the provisions of moratorium are not to apply to transactions which might be notified by the Central Government and a surety in a contract of guarantee to a corporate debtor. Additionally, the supply of essential goods or services to the Corporate Debtor as may be specified is not to be terminated or suspended or interrupted during the moratorium period. These would include supply of water, electricity and similar other supplies of goods or services as provided by Regulation 32 of IBBI (Insolvency Resolution Process for Corporate Persons) Regulations, 2016.

17. We direct the Financial Creditor to deposit a sum of Rs. 2 Lacs with the Interim Resolution Professional namely Mr. Gulshan Gaba to meet out the expenses to perform the functions assigned to him in accordance with Regulation 6 of Insolvency and Bankruptcy Board of India (Insolvency

Resolution Process for Corporate Person) Regulations, 2016. The needful shall be done within three days from the date of receipt of this order by the Financial Creditor. The amount however be subject to adjustment by the Committee of Creditors as accounted for by Interim Resolution Professional and shall be paid back to the Financial Creditor.

18. The office is directed to communicate a copy of the order to the Financial Creditor, the Corporate Debtor and the Interim Resolution Professional at the earliest but not later than seven days from today. A copy of this order be also sent to the ROC for updating the Master Data. ROC shall send compliance report to the Registrar, NCLT.

Sd/-

12.04.201

(M.M.KUMAR)
PRESIDENT

Sd/-

(S.K. MOHAPATRA)
MEMBER (TECHNICAL)

12.04.2019
(VIDYA)