INDOSOLAR

12th November, 2012

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

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

Sub.: Unaudited Financial Results and Limited Review Report for the quarter and half year ended 30th September 2012

Dear Sir / Madam

In compliance with Clause 41 of the Listing Agreement, please find enclosed herewith the unaudited financial results for the quarter and half year ended 30th September 2012 as reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on 12th November 2012.

Further, in compliance with Clause 41 of the Listing Agreement, please find enclosed herewith the limited review report from the Statutory Auditors on unaudited financial results for the quarter and half year ended 30th September 2012.

As regards para 3 of limited review report management wish to submit that:

There is likelihood of Company incurring certain rent/demurrage expenses towards storage of imported equipment at Delhi and Mumbai. The amount of rent/demurrage expenses would be known only at the time of payment by December 2012. In the absence of non-crystallization of amount as well as nature thereof, no provision has been made in quarterly results.

This is for your kind information and record, please.

For INDOSOLAR LIMITED

ATUL KUMAR MITTAL
COMPANY SECRETARY

Encl.: As above

INDOSOLAR LIMITED
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INDOSOLAR LIMITED
Regd. Office: C-12, Friends Colony (East), New Delhi-110065
STATEMENT OF STANDALONE UNAUDITED RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30 SEPTEMBER 2012

(Rs. in Lakhs)

Sl. No.	Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year *	Year to date figure for current period ended	Year to date figure for the previous period ended *	Previous year ended
		30.09.2012	30.06.2012	30.09.2011	30.09.2012	30.09.2011	31.03.2012
		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)	333.79	7.58	3,541.76	341.37	7,198.46	8,134.26
b	Other operating income	7.18	0.08	68.23	7.26	439.62	1,063.23
	Total income from operations (net)	**340.97**	**7.66**	**3,609.99**	**348.63**	**7,638.08**	**9,197.49**
2	**Expenses:**						
a	Cost of materials consumed	795.70	(154.47)	3,876.39	641.23	8,491.41	8,641.63
b	Purchase of stock in trade	73.95	-	-	73.95	-	-
c	Changes in inventories of finished goods, work-in-progress and stock in trade	(526.92)	(127.49)	638.07	(654.41)	3,232.98	1,893.11
d	Employee benefits expense	233.23	213.93	285.10	447.16	580.60	1,046.95
e	Depreciation and amortisation expense	808.20	752.63	891.89	1,560.83	1,771.98	3,431.76
f	Power and fuel	341.75	78.79	267.76	370.54	591.78	702.80
g	Other expenses	344.62	483.72	1,991.40	828.34	2,383.65	5,384.03
	Total expenses	**2,070.53**	**1,197.11**	**7,950.61**	**3,267.64**	**17,055.40**	**24,029.95**
3	**Loss from operations before other income, finance cost and exceptional items**	**(1,729.56)**	**(1,189.45)**	**(4,340.62)**	**(2,919.01)**	**(9,417.32)**	**(14,832.46)**
4	Other income	45.00	76.57	95.37	121.57	288.58	521.08
5	**Loss from ordinary activities before finance costs and exceptional items (3+4)**	**(1,684.56)**	**(1,112.88)**	**(4,245.25)**	**(2,797.44)**	**(9,128.74)**	**(14,311.38)**
6	Finance costs	1,332.74	1,295.41	1,394.96	2,628.15	3,128.14	5,925.09
7	**Loss from ordinary activities after finance cost but before exceptional items (5-6)**	**(3,017.30)**	**(2,408.29)**	**(5,640.21)**	**(5,425.59)**	**(12,256.88)**	**(20,236.47)**
8	Exceptional items gain/ (loss)	-	93.82	(1,902.34)	93.82	(1,902.34)	-
9	**Loss from ordinary activities before tax (7-8)**	**(3,017.30)**	**(2,314.47)**	**(7,542.55)**	**(5,331.77)**	**(14,159.22)**	**(20,236.47)**
10	Tax expenses	-	-	-	-	-	-
11	**Loss from ordinary activities after tax (9-10)**	**(3,017.30)**	**(2,314.47)**	**(7,542.55)**	**(5,331.77)**	**(14,159.22)**	**(20,236.47)**
12	Extraordinary items (net of tax expenses)	-	-	-	-	-	-
13	**Loss after taxes (11+12)**	**(3,017.30)**	**(2,314.47)**	**(7,542.55)**	**(5,331.77)**	**(14,159.22)**	**(20,236.47)**
14	Paid up equity share capital (Face value-Rs.10/-each)	33,514.40	33,514.40	33,514.40	33,514.40	33,514.40	33,514.40
15	Reserves (excluding revaluation reserve, if any)	-	-	-	-	-	(12,514.42)
16	Earning per share (before extraordinary item) (in Rs.) (not annualised)						
	Basic	(0.90)	(0.69)	(2.25)	(1.59)	(4.22)	(6.04)
	Diluted	(0.90)	(0.69)	(2.25)	(1.59)	(4.22)	(6.04)
17	Earning per share (after extraordinary item) (in Rs.) (not annualised)						
	Basic	(0.90)	(0.69)	(2.25)	(1.59)	(4.22)	(6.04)
	Diluted	(0.90)	(0.69)	(2.25)	(1.59)	(4.22)	(6.04)
	Part II						
A	**Particulars of Shareholding**						
1	Public shareholding						
	- Number of shares	128,144,030	128,144,030	128,144,030	128,144,030	128,144,030	128,144,030
	- Percentage of shareholding	38.24%	38.24%	38.24%	38.24%	38.24%	38.24%
2	Promoters and promoter group shareholding						
	a) Pledged/ encumbered						
	- Number of shares	136,885,495	136,885,495	69,812,000	136,885,495	69,812,000	136,885,495
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	66.13%	66.13%	33.73%	66.13%	33.73%	66.13%
	- Percentage of shares (as a % of the total share capital of the company)	40.84%	40.84%	20.83%	40.84%	20.83%	40.84%
	b) Non encumbered						
	- Number of shares	70,114,502	70,114,502	137,187,997	70,114,502	137,187,997	70,114,502
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	33.87%	33.87%	66.27%	33.87%	66.27%	33.87%
	- Percentage of shares (as a % of the total share capital of the company)	20.92%	20.92%	40.93%	20.92%	40.93%	20.92%

* Refer note 4 relating to restatement of 'Finance cost'

	Particulars	Quarter ended 30.09.12
B	**Investor Complaints**	
	Pending at the beginning of the quarter	-
	Received during the quarter	1
	Disposed of during the quarter	1
	Remaining unresolved at the end of the quarter	-

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

Managing Director

Date : 12 November 2012
Place: Greater Noida

Notes to the results for the Quarter and Six months ended 30 September 2012

1 Standalone Statement of Assets and Liabilities

(Rs. in Lakhs)

Particulars	Un-audited As at 30 September 2012	Audited As at 31 March 2012
A Equity and Liabilities		
1 Shareholders' funds		
(a) Share capital	33,514.40	33,514.40
(b) Reserves and surplus	(17,849.19)	(12,517.42)
Sub-total - Shareholders' funds	**15,665.21**	**20,996.98**
2 Non-current liabilities		
(a) Long-term borrowings	78,830.54	73,314.84
(b) Other long-term liabilities	5,520.03	5,535.56
(c) Long-term provisions	25.26	25.26
Sub-total - Non-current liabilities	**84,375.83**	**78,875.66**
3 Current liabilities		
(a) Short-term borrowings	2,707.15	2,956.97
(b) Trade payables	2,841.76	2,500.58
(c) Other current liabilities	3,258.45	3,289.08
(d) Short-term provisions	10.97	10.97
Sub-total - Current liabilities	**8,818.33**	**8,757.60**
Total - Equity and Liabilities	**108,859.37**	**108,630.24**
B Assets		
1 Non-current assets		
(a) Fixed assets	97,859.58	98,143.72
(b) Long-term loans and advances	2,248.21	1,068.58
(c) Other non-current assets	3,019.26	2,918.06
Sub-total - Non-current assets	**103,127.05**	**102,130.36**
2 Current assets		
(a) Current investments	10.29	9.65
(b) Inventories	3,530.20	3,210.60
(c) Trade receivables	1,027.20	1,081.87
(d) Cash and cash equivalents	94.12	1,046.91
(e) Short-term loans and advances	992.23	1,000.01
(f) Other current assets	78.28	150.84
Sub-total - Current assets	**5,732.32**	**6,499.88**
Total - Assets	**108,859.37**	**108,630.24**

2 The Company has incurred significant losses in the current quarter and in the six months ended 30 September 2012 as well as the year ended 31 March 2012. The accumulated losses have resulted in substantial erosion of its net worth. The Solar industry and the Company have undergone turmoil owing to significant downturn in the global market. As a consequence the Company has been unable to utilise its capacity as the cost of production of solar cells continues to be higher than the prevailing market prices. Considering the difficulties the Company has faced during the past one year it has had its debt restructured in the previous year ended 31 March 2012 as more fully explained in Note 4 below.

On the basis of audited financial statements for the year ended 31 March 2012 that was adopted in the Annual General Meeting held on 29 September 2012 it was observed that the accumulated losses as at 31 March 2012 have resulted in the erosion of more than 50% of its peak networth during immediately preceding four financial years. Consequently an Extra Ordinary General Meeting has been called on 21 November 2012 for seeking necessary approval from the shareholders to report the matter to the Board for Industrial and Financial Reconstruction ('BIFR') of the fact relating to erosion of networth.

Under the debt restructuring package additional credit facilities were sanctioned and the Company has been able to obtain unsecured loans from parties as part of promoter contribution stipulated under the terms of Debt restructuring. The Company has also been able to seek deferral for some of its liabilities arising out of capital expansion. The management believes that it is appropriate to prepare the financial statements on the going concern assumption and accordingly these results do not include any adjustments that might result from the outcome of uncertainties more fully explained in Note 3 below.

3 The continuing mismatch between cost and selling prices has resulted in the stoppage of plant from September 2011, which severely impacted the cash flow position of the Company that prompted the filing of a restructuring package with the Corporate Debt Restructuring Cell. In connection therewith, the Company prepared Cash Flow projections after taking into account the current business realities and such cash flows were incorporated in the CDR package which was approved by the consortium of banks.

Management believes that the sector requires significant government support and policy intervention to support the viability of the sector. A few such policy initiatives under active discussion and the outcome of which is awaited at this point in time relate to

The Imposition of Anti Dumping Duty on goods from China, Taiwan, Malaysia & USA as per the petition filed by The Solar Manufacturers Association of India on 18th January 2012; the continuance and increasing scope of Local Content Requirement ['LCR'] for the PV cells in Phase II of NSM [2013 to 2017]; Commitment of the government to the National Solar Mission and State Solar Missions and method of incentivising solar projects either through 'Viability Gap funding' or 'Generation Based Incentive'.

As a result of the significant uncertainties and possible changes in the business dynamics mentioned above, the outcome of which including consequential impact on the Company's cash flows will be known only in the ensuing period. Accordingly the cash flows that were prepared by management and as approved by the CDR cell and updated thereafter based on actual performance have been considered for impairment assessment. Based on such analysis, the cash flow projections do not indicate impairment as at 30 September 2012.

4 As more fully explained in Note 2 and 3 above, due to the circumstances that resulted in the Company incurring significant cash and operating losses during the year ended 31 March 2012, the Company requested the Lenders for debt restructuring and the request was referred to the Corporate Debt Restructuring Forum, (hereinafter referred to as the 'CDR CELL'). Pursuant thereto the CDR Empowered Group approved a restructuring package in terms of which the Existing Financial Assistance was restructured and certain additional financial assistance was sanctioned per the Letter of Approval dated 7 March 2012. The Company had accordingly given effect to the CDR scheme w.e.f. from 1 July 2011 in the financial statements for the year ended 31 March 2012. However one of the banks of the consortium group i.e. Indian Bank had not agreed to the CDR package and had not signed the Master Restructuring Agreement (MRA). The MRA was signed by the concerned bank on 5 July 2012.

Under the debt restructuring package, the term loans that existed were restructured whereby the term for repayment has been extended till 31 March 2021, interest rates were reduced to 10.75% per annum. The irregularity that existed in the working capital facilities was carved out and converted into working capital term loan with the repayment commencing from 31 December 2013. In addition the interest on such facilities w.e.f. 1 July 2011 till 30 June 2013 shall be funded by way of Funded Interest Term loan which is repayable from 31 December 2013. Further, the Company had obtained additional funding for expansion of its existing manufacturing facility. Further in the quarter ended 30 June 2012, appropriate adjustments based on reconciliations had been carried out in relation to borrowings from Indian Bank taking the effect of the MRA wherein the excess of interest charged in the period 1 July 2011 to 31 October 2011 amounting to Rs. 93.82 lakhs had been credited/ received from Indian Bank, the effect of which had been disclosed as an exceptional item.

In accordance with the CDR scheme the consortium of lenders had waived the obligation of the Company to pay any liquidated damages, default or penal interest / interest / further interest charged by the Lenders in excess of the concessional rates approved under CDR package. The effect of such waiver was given in the quarter ended 31 March 2012 and the consequential benefit thereof was included as an exceptional item in that quarter. As a consequence, the results for the quarter and the six months ended 30 September 2011 had not incorporated the effect of the interest credit received. Management has accordingly given the effect of the interest credit received amounting to Rs. 509.53 lakhs for the quarter and six months ended 30 September 2011 in 'Finance cost' by restating the figures for the respective periods. The effect of the adjustments and the impact thereof on the respective periods (as published earlier) is detailed below:

Amount in lakhs

Particulars	Published		Restated	
	Quarter ended	Six months ended	Quarter ended	Six months ended
	Un-audited	Un-audited	Un-audited	Un-audited
	30.09.11	30.09.11	30.09.11	30.09.11
Finance cost	1,904.49	3,037.67	1,394.96	3,128.14
Loss after taxes	8,052.08	14,068.75	7,542.55	14,159.22
Earnings per share - Basic (after extraordinary item)	(2.40)	(4.38)	(2.25)	(4.22)
Earnings per share - Diluted (after extraordinary item)	(2.40)	(4.38)	(2.25)	(4.22)

5 Prior period adjustments:

a The results for the year ended 31 March 2012 included prior period income relating to export benefits for the period 27 August 2009 to 31 March 2011 amounting to Rs. 999.78 lakhs.

b Other expenses for the quarter ended 30 June 2012 included the effect of credit note adjustments from one of its customers amounting to Rs. 106.65 lakhs. The annual financial results for the year ended 31 March 2012 included prior period relating to Commission expense incurred for the period 1 May 2010 till 31 March 2011 amounting to Rs. 1,163.93 lakhs.

6 Due to continued downturn in the solar industry, finished goods are not able to realise cost and are valued at Net Realisable Value. Accordingly raw materials are also required to be compared with replacement cost and a write down taken where cost exceeds replacement cost. In the previous quarter, the prevailing benchmark prices for solar cells and wafers in INR terms as a result of depreciating rupee had increased resulting in an increase in the net realisable value of such inventories as at 30 June 2012. As a consequence, there had been a reversal in the write down recorded as at 31 March 2012 reflected in 'Cost of materials consumed' and 'Change in inventories of finished goods and work in progress'.

7 During the quarter ended 31 December 2011, the Company received a loan from a foreign company to satisfy one of the stipulations of CDR package. Such loan is categorised as External Commercial Borrowings in respect of which certain regulatory formalities were to be complied with and clearances were to be obtained prior to the receipt of such loan. Management had compiled the necessary documentation and had filed the application with the Reserve Bank of India on 22 May 2012 for condonation of non compliance with such regulatory requirements. In the current quarter, management has obtained the condonation from the RBI vide approval letter dated 25 September 2012 and a sum of INR 1.5 lakhs has been paid for compounding the contravention.

8 The Company has incurred expenses in foreign currency (including amortisation of imported machinery) amounting to Rs. 93,442.20 lakhs till 30 September 2012. Such machinery and raw material have been imported without payment of customs duty, being an Export Oriented Unit, on the basis of an undertaking given to customs authorities that the Company shall be able to earn a net positive Net Foreign Exchange within ten years from the commencement of its operation. At current quarter end (i.e. after three years of commencement of its operations), the Company's earnings is a negative Net Foreign Exchange Earnings of Rs. 19,385.79 lakhs. Management is confident that they would be able to achieve a positive net foreign exchange during the unexpired period.

9 In view of the absence of virtual certainty of realisation of carry forward tax losses/ unabsorbed depreciation in the foreseeable future, deferred tax assets has been recognised to the extent of deferred tax liability.

10 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.

11 IPO proceeds amounting to Rs. 15,580.55 lakhs is paid for acquisition of machineries for Line C. Rs. 14,376.56 lakhs have been utilised towards repayment of loans from banks/ use for the operations of the Company and Rs. 3,388.24 lakhs has been used for meeting IPO expenses. This is in accordance with the manner the IPO proceeds could have been utilised as specified in the prospectus. The balance of the IPO proceeds amounting to Rs. 2,384.65 lakhs pending utilisation has been invested in interest bearing liquid instruments and bank deposits.

12 The above results were reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 12 November 2012.

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

Date : 12 November 2012
Place : Greater Noida

Managing Director

B S R and Associates

Chartered Accountants

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DLF Cyber City, Phase - II
Gurgaon - 122 002 (India)

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Review report to the Board of Directors Indosolar Limited

1. We have reviewed the accompanying statement of un-audited standalone financial results ('the Statement') of Indosolar Limited ('the Company') for the quarter and six months ended 30 September 2012, except for the disclosures regarding "Public Shareholding" and "Promoter and Promoter Group Shareholding", which have been traced from disclosures made by the management and have not been reviewed by us. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial results based on our review.

2. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial results are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

3. *Certain consignments relating to plant and machinery, imported in connection with the expansion of the manufacturing facility, have been lying at the bonded warehouse for a significant period of time in respect of which there is a probable obligation of rent/demurrage expenses however, no accrual of such expense has been made in the books of account. In the absence of any information available or any quantification provided, we are unable to comment on the consequential effect on the financial results for the quarter and six months ended 30 September 2012.*

4. Without qualifying our opinion, attention is invited to note 2, with regard to impairment assessment carried out by management as of 30 September 2012 based on cash flows taking into account the prevailing business realities, the effect of which had been incorporated in the Corporate Debt Restructuring (CDR) package approved by the consortium of banks. Such cash flows do not indicate impairment as at 30 September 2012.

   As elaborated in the note, the achievement of such cash flows is dependent upon the ultimate outcome of various policy interventions explained more fully in the note that are required for the viability of the sector. The result of all of the above significant possible changes in the business dynamics and its consequent effect on the Company's cash flows will be known in the ensuing period. Accordingly, the cash flows that were prepared by management and as approved by the CDR cell have been considered by us for impairment assessment.

5. Based on our review conducted as explained in paras 1 and 2 and *subject to our observation in paragraph 3 above*, nothing has come to our attention that causes us to believe that the accompanying statement of un-audited standalone financial results prepared in accordance with applicable accounting standards and other recognised accounting practices and policies, has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreements, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **B S R and Associates**
Chartered Accountants
Firm Registration Number: 128901W

Vikram Advani
Partner
Membership number: 091765

Place: New Delhi
Date: 12 November 2012