



Date: 14.02.2011

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

To  
The General Manager  
The Bombay Stock Exchange Limited  
Department of Corporate Services  
Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai - 400 001

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Sub.: Unaudited financial results and limited review report for the quarter and nine months ended 31<sup>st</sup> December 2010

Dear Sir / Madam

In compliance with Clause 41 of the Listing Agreement, please find enclosed herewith the unaudited financial results for the quarter and nine months ended 31<sup>st</sup> December 2010 as reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on 14<sup>th</sup> February 2011.

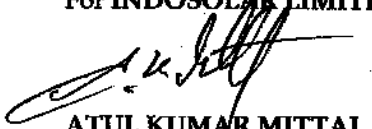
Further, in compliance with Clause 41 of the Listing Agreement, please find enclosed herewith the limited review report from the Statutory Auditors on unaudited financial results for the quarter and nine months ended 31<sup>st</sup> December 2010.

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

We are in the process of developing the process for stores and the same would be completed before next quarter end. However, the same will not have any adverse impact on profit.

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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| <p style="text-align: center;"><b>INDOSOLAR LIMITED</b><br/> Regd. Office: C-12, Friends Colony (East), New Delhi-110065<br/> <b>UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER, 2010</b></p> |                                                                                                                                           |                  |                                                   |                                                                                                                                                           |                                                  |                                |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------|------------------|---------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|--------------------------------|
| (Rupees in lakhs)                                                                                                                                                                                                            |                                                                                                                                           |                  |                                                   |                                                                                                                                                           |                                                  |                                |
| Sl. No.                                                                                                                                                                                                                      | Particulars                                                                                                                               | 3 months ended   | Corresponding 3 months ended in the previous year | Year to date figures for the current period ended                                                                                                         | Year to date figures for the previous year ended | Previous accounting year ended |
|                                                                                                                                                                                                                              |                                                                                                                                           | 31.12.2010       | 31.12.2009                                        | 31.12.2010                                                                                                                                                | 31.12.2009                                       | 31.03.2010                     |
|                                                                                                                                                                                                                              |                                                                                                                                           | (Unaudited)      | (Unaudited)                                       | (Unaudited)                                                                                                                                               | (Unaudited)                                      | (Audited)                      |
| 1                                                                                                                                                                                                                            | (a) Net Sales/Income from Operations                                                                                                      | 21,728.73        | 1,131.20                                          | 46,138.60                                                                                                                                                 | 2,098.99                                         | 11,251.67                      |
|                                                                                                                                                                                                                              | (b) Other Operating Income                                                                                                                | 363.90           | 487.16                                            | 3,750.67                                                                                                                                                  | 1,245.98                                         | 1,878.21                       |
|                                                                                                                                                                                                                              | <b>Total</b>                                                                                                                              | <b>22,092.63</b> | <b>1,618.36</b>                                   | <b>49,889.27</b>                                                                                                                                          | <b>3,344.97</b>                                  | <b>13,129.88</b>               |
| 2                                                                                                                                                                                                                            | <b>Expenditure</b>                                                                                                                        |                  |                                                   |                                                                                                                                                           |                                                  |                                |
|                                                                                                                                                                                                                              | a. (Increase)/decrease in stock in trade and work in progress                                                                             | (1,260.43)       | (416.78)                                          | 254.95                                                                                                                                                    | (3,805.14)                                       | (2,967.40)                     |
|                                                                                                                                                                                                                              | b. Consumption of raw materials                                                                                                           | 19,233.10        | 2,224.44                                          | 41,873.42                                                                                                                                                 | 6,000.61                                         | 15,340.08                      |
|                                                                                                                                                                                                                              | c. Manufacturing expenses                                                                                                                 | 788.80           | 842.72                                            | 2,993.90                                                                                                                                                  | 1,484.31                                         | 805.57                         |
|                                                                                                                                                                                                                              | d. Purchase of traded goods                                                                                                               | -                | -                                                 | -                                                                                                                                                         | -                                                | -                              |
|                                                                                                                                                                                                                              | e. Employees cost                                                                                                                         | 297.71           | 414.36                                            | 889.60                                                                                                                                                    | 672.21                                           | 849.76                         |
|                                                                                                                                                                                                                              | f. Depreciation                                                                                                                           | 1,466.12         | 513.30                                            | 4,096.56                                                                                                                                                  | 942.23                                           | 1,873.62                       |
|                                                                                                                                                                                                                              | g. Other expenditure                                                                                                                      | 582.32           | 737.96                                            | 1,648.84                                                                                                                                                  | 1,107.03                                         | 1,158.31                       |
|                                                                                                                                                                                                                              | <b>h. Total</b>                                                                                                                           | <b>21,107.62</b> | <b>4,316.20</b>                                   | <b>51,757.27</b>                                                                                                                                          | <b>6,401.26</b>                                  | <b>17,059.94</b>               |
| 3                                                                                                                                                                                                                            | <b>Profit from Operations before other Income, interest &amp; exceptional items (1-2)</b>                                                 | <b>985.01</b>    | <b>(2,697.84)</b>                                 | <b>(1,868.00)</b>                                                                                                                                         | <b>(3,056.29)</b>                                | <b>(3,930.06)</b>              |
| 4                                                                                                                                                                                                                            | <b>Other income</b>                                                                                                                       | <b>537.76</b>    | <b>6.04</b>                                       | <b>588.85</b>                                                                                                                                             | <b>11.88</b>                                     | <b>17.97</b>                   |
| 5                                                                                                                                                                                                                            | <b>Profit before interest &amp; exceptional items (3+4)</b>                                                                               | <b>1,522.77</b>  | <b>(2,691.80)</b>                                 | <b>(1,279.15)</b>                                                                                                                                         | <b>(3,044.41)</b>                                | <b>(3,912.09)</b>              |
| 6                                                                                                                                                                                                                            | <b>Interest</b>                                                                                                                           | <b>1,733.52</b>  | <b>900.72</b>                                     | <b>5,028.07</b>                                                                                                                                           | <b>1,588.63</b>                                  | <b>2,718.76</b>                |
| 7                                                                                                                                                                                                                            | <b>Profit after interest but before exceptional items (5-6)</b>                                                                           | <b>(210.75)</b>  | <b>(3,592.52)</b>                                 | <b>(6,307.22)</b>                                                                                                                                         | <b>(4,633.04)</b>                                | <b>(6,630.85)</b>              |
| 8                                                                                                                                                                                                                            | <b>Exceptional items</b>                                                                                                                  | <b>-</b>         | <b>-</b>                                          | <b>-</b>                                                                                                                                                  | <b>-</b>                                         | <b>-</b>                       |
| 9                                                                                                                                                                                                                            | <b>Profit (+)/Loss (-) from ordinary activities before tax (7+8)</b>                                                                      | <b>(210.75)</b>  | <b>(3,592.52)</b>                                 | <b>(6,307.22)</b>                                                                                                                                         | <b>(4,633.04)</b>                                | <b>(6,630.85)</b>              |
| 10                                                                                                                                                                                                                           | <b>Tax expense</b>                                                                                                                        | <b>-</b>         | <b>-</b>                                          | <b>-</b>                                                                                                                                                  | <b>1.37</b>                                      | <b>7.51</b>                    |
| 11                                                                                                                                                                                                                           | <b>Net Profit (+)/Loss (-) from ordinary activities after tax (9-10)</b>                                                                  | <b>(210.75)</b>  | <b>(3,592.52)</b>                                 | <b>(6,307.22)</b>                                                                                                                                         | <b>(4,634.41)</b>                                | <b>(6,638.36)</b>              |
| 12                                                                                                                                                                                                                           | <b>Extraordinary/ prior period item (net of tax expenses)</b>                                                                             | <b>257.03</b>    | <b>-</b>                                          | <b>19.86</b>                                                                                                                                              | <b>-</b>                                         | <b>-</b>                       |
| 13                                                                                                                                                                                                                           | <b>Net Profit (+)/Loss (-) for the period (11+12)</b>                                                                                     | <b>46.28</b>     | <b>(3,592.52)</b>                                 | <b>(6,287.36)</b>                                                                                                                                         | <b>(4,634.41)</b>                                | <b>(6,638.36)</b>              |
| 14                                                                                                                                                                                                                           | <b>Paid-up equity share capital (Face value Rs. 10 each)</b>                                                                              | <b>33,514.40</b> | <b>20,000.00</b>                                  | <b>33,514.40</b>                                                                                                                                          | <b>20,000.00</b>                                 | <b>20,840.00</b>               |
| 15                                                                                                                                                                                                                           | <b>Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year</b>                                           | <b>21,487.59</b> | <b>-</b>                                          | <b>21,487.59</b>                                                                                                                                          | <b>-</b>                                         | <b>364.00</b>                  |
| 16                                                                                                                                                                                                                           | <b>Earning Per Share (EPS)</b>                                                                                                            |                  |                                                   |                                                                                                                                                           |                                                  |                                |
|                                                                                                                                                                                                                              | (a) Basic and diluted EPS before extraordinary items for the period, for the year to date and for the previous year(not to be annualized) | (0.06)           | (1.80)                                            | (2.47)                                                                                                                                                    | (2.34)                                           | (3.32)                         |
|                                                                                                                                                                                                                              | (b) Basic and diluted EPS after extraordinary items for the period, for the year to date and for the previous year(not to be annualized)  | 0.01             | (1.80)                                            | (2.46)                                                                                                                                                    | (2.34)                                           | (3.32)                         |
| 17                                                                                                                                                                                                                           | <b>Public shareholding</b>                                                                                                                |                  |                                                   |                                                                                                                                                           |                                                  |                                |
|                                                                                                                                                                                                                              | - Number of Shares                                                                                                                        | 128,144,030      | -                                                 | 128,144,030                                                                                                                                               | -                                                | -                              |
|                                                                                                                                                                                                                              | - Percentage of Shareholding                                                                                                              | 38.24%           | -                                                 | 38.24%                                                                                                                                                    | -                                                | -                              |
| 18                                                                                                                                                                                                                           | <b>Promoters' and Promoter Group Shareholding</b>                                                                                         |                  |                                                   |                                                                                                                                                           |                                                  |                                |
|                                                                                                                                                                                                                              | (a) Pledged/Encumbered                                                                                                                    |                  |                                                   |                                                                                                                                                           |                                                  |                                |
|                                                                                                                                                                                                                              | - Number of Shares                                                                                                                        | 69,812,300       | 66,350,000                                        | 69,812,000                                                                                                                                                | 66,350,000                                       | 69,812,000                     |
|                                                                                                                                                                                                                              | - Percentage of Shares ( as a % of the total shareholding of promoter and promoter group)                                                 | 33.73%           | 33.18%                                            | 33.73%                                                                                                                                                    | 33.18%                                           | 33.73%                         |
|                                                                                                                                                                                                                              | - Percentage of Shares ( as a % of the total share capital of the Company)                                                                | 20.83%           | 33.18%                                            | 20.83%                                                                                                                                                    | 33.18%                                           | 33.50%                         |
|                                                                                                                                                                                                                              | (b) Non-encumbered                                                                                                                        |                  |                                                   |                                                                                                                                                           |                                                  |                                |
|                                                                                                                                                                                                                              | - Number of Shares                                                                                                                        | 137,187,997      | 133,649,997                                       | 137,187,997                                                                                                                                               | 133,649,997                                      | 137,187,997                    |
|                                                                                                                                                                                                                              | - Percentage of Shares ( as a % of the total shareholding of promoter and promoter group)                                                 | 66.27%           | 66.82%                                            | 66.27%                                                                                                                                                    | 66.82%                                           | 66.27%                         |
|                                                                                                                                                                                                                              | - Percentage of Shares ( as a % of the total share capital of the Company)                                                                | 40.93%           | 66.82%                                            | 40.93%                                                                                                                                                    | 66.82%                                           | 65.83%                         |
| <b>CERTIFIED TRUE COPY</b><br><b>INDOSOLAR LIMITED</b><br><br><b>Company Secretary</b>                                                  |                                                                                                                                           |                  |                                                   | For and on behalf of the Board of directors of<br><b>Indosolar Limited</b><br><br>Managing Director<br><br>Place: Greater Noida<br>Date: 14 February 2011 |                                                  |                                |

**Notes to the results for the quarter and nine months ended 31 December 2010**

- 1 The Company has received a credit note from one of the principal suppliers of machinery of Line B amounting to Euro 1.50 million (equivalent to Rs. 905 lacs) to compensate for the delay in the supply of machinery in accordance with the terms of the contract. The amount of credit note has been adjusted with the value of plant and machinery and the depreciation has been accordingly, recomputed with retrospective effect, resulting in an downward adjustment to depreciation charge by Rs.57.06 lakhs in the quarter ended 31 December 2010.
- 2 Shareholders have passed ordinary resolution through postal ballot on 31 January 2011 to empower and authorise the Board of Directors to (i) vary terms and contracts mentioned in the prospectus dated 18 September 2010 (ii) vary/ amend/ alter the utilisation of net proceeds inter se one or other of the purposes for their utilisation, described in the said prospectus on even date and (iii) utilise any part of the net proceeds for a purpose or purposes other than those described in the said prospectus.
- 3 Prior period item comprises the recognition of silver in the books of account as scrap stock in inventory amounting to Rs. 44.70 lakhs representing stock of silver as at 30 September 2010 and Rs. 19.86 lakhs representing stock of silver as at 31 March 2010, has been disclosed in the quarter ended and year to date results ended 31 December 2010, respectively that had not been recognised as at 30 September 2010 or 31 March 2010. It also includes an adjustment of Rs. 212.33 lakhs on account of syndication fees paid for obtaining loan facilities which had erroneously been charged of in quarter 1 of the current financial year. Such syndication fees can be carried forward as "Miscellaneous Expenditure" to be amortised over the period of the loan commencing from date of drawdown.
- 4 IPO proceeds amounting to Rs. 5,403.82 lakhs is paid for acquisition of machineries for Line C, Rs.2,250 lakhs have been utilised towards repayment of short term loans from banks and Rs. 3,358.24 lakhs has been used for meeting IPO expenses, in accordance with the manner the IPO proceeds can be utilised as specified in the prospectus. The balance of the IPO proceeds amounting to Rs. 24,687.94 pending utilisation, has been invested in interest bearing liquid instruments and bank deposits.
- 5 The stock of diesel, a consumable item, has been accounted for as inventory in the books of account in the quarter ended 31 December 2010. Until 31 March 2010, the Company's accounting policy was to charge the consumable stores to the profit and loss account, at the point of purchase. Had the Company continued to follow the same accounting policy, the manufacturing expenditure would have been higher by Rs.16.39 lakhs and the net profit would have been lower by Rs.16.39 lakhs.
- 6 The IPO expenses aggregating to Rs. 3,358.24 lakhs had been adjusted against the Securities Premium Account as permitted under Section 78 of the Companies Act, 1956, on account of a change in the accounting policy in the quarter ended 30 September 2010. Until 31 March 2010, the Company had an accounting policy to amortise the IPO Expenses over a period of 5 years. Had the Company continued to follow the same accounting policy, the net profit would have been lower by Rs.169.29 lakhs for the quarter ended 31 December 2010 and the net loss would have been higher by Rs. 182.17 lakhs for the nine months ended 31 December 2010.
- 7 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.
- 8 There were no outstanding complaints from the shareholders at the beginning of the quarter and all the 22 complaints received from the shareholders during the quarter have been replied to, satisfactorily.
- 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 current quarter and year to date figures are not comparable to the corresponding previous quarter and year to date figures, respectively as the Company was in the start-up phase and had commenced its commercial production on 17 July 2009 including the fact that the Company had significantly increased its capacity by setting up additional line for manufacture of solar cells on 17 March 2010.
- 11 The above results were reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 14 February 2011.
- 12 The figures relating to the corresponding previous quarter and nine month period ended 31 December 2009 have not been reviewed.

**CERTIFIED TRUE COPY**

**INDO SOLAR LIMITED**

**Company Secretary**

*For and on behalf of the Board of directors of  
Indosolar Limited*

**Managing Director**

**Place: Greater Noida  
Date: 14 February 2011**