INDOSOLAR

13th February, 2013

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 nine months ended 31st December 2012 and allotment of redeemable preference shares

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 31st December 2012 as reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on 13th February 2013.

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 31st December 2012.

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

In our opinion, the expense has to be capitalized and the management is seeking opinion from the Institute of Chartered Accountants of India and shall do the needful as may be guided by the Institute in its opinion.

As regards para 4 of limited review report we wish to submit that:

The inventory valuation has been done on the basis of the orders in which the prices of solar cells are under active negotiation.

As regards para 5 of limited review report we wish to submit that:

The note is self explanatory in its nature and no impairment is required at this stage.

INDOSOLAR LIMITED
Regd. Office: C-12 Friends Colony (East), New Delhi - 110065 INDIA
Tel: +91 11 2684 1375. 2631 1706 **Fax:** +91 11 2684 3949 **E-mail:** info@indosolar.co.in

Factory: 3C/1, EcoTech-II, Udyog Vihar, Greater Noida - 201 306, Dist. Gautam Budh Nagar (U.P.) INDIA
Tel: +91 120 4762500 **Fax:** +91 120 4762525 **E-mail:** info@indosolar.co.in

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Further, it is hereby informed that the Board in its meeting held on 13th February 2013 has allotted 95,00,000 zero coupon redeemable non-convertible non-cumulative preference shares of Rs. 10 each for cash at par.

This is for your kind information and record, please.

For INDOSOLAR LIMITED

DIRECTOR

Encl.: As above

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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 NINE MONTHS ENDED 31 DECEMBER 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
		31.12.2012	30.09.2012	31.12.2011	31.12.2012	31.12.2011	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)	1,604.27	333.79	859.07	1,945.64	8,057.53	8,134.26
b	Other operating income	0.88	7.18	977.93	8.14	1,446.72	1,063.23
	Total income from operations (net)	**1,605.15**	**340.97**	**1,837.00**	**1,953.78**	**9,504.25**	**9,197.49**
2	**Expenses:**						
a	Cost of materials consumed	1,268.46	795.70	348.53	1,909.69	8,875.28	8,611.61
b	Purchase of stock in trade	61.81	73.95	-	135.76	-	-
c	Changes in inventories of finished goods, work-in-progress and stock in trade	(1,027.00)	(526.92)	1,500.69	(1,681.41)	4,733.67	4,892.41
d	Employee benefits expense	212.03	233.23	227.00	659.19	807.60	1,046.95
e	Depreciation and amortisation expense	937.53	808.20	705.05	2,498.36	2,477.03	3,421.76
f	Power and fuel	199.65	341.75	73.25	570.19	659.45	702.29
g	Other expenses	426.50	344.62	1,265.69	1,254.84	3,622.58	5,354.93
	Total expenses	**2,078.98**	**2,070.53**	**4,120.21**	**5,346.62**	**21,175.61**	**24,029.95**
3	**Loss from operations before other income, finance cost and exceptional items (1-2)**	**(473.83)**	**(1,729.56)**	**(2,283.21)**	**(3,392.84)**	**(11,671.36)**	**(14,832.46)**
4	Other income	53.84	45.00	89.48	175.41	348.89	521.08
5	**Loss from ordinary activities before finance costs and exceptional items (3+4)**	**(419.99)**	**(1,684.56)**	**(2,193.73)**	**(3,217.43)**	**(11,322.47)**	**(14,311.38)**
6	Finance costs	1,331.61	1,332.74	1,343.70	3,959.76	4,471.84	5,925.09
7	**Loss from ordinary activities after finance cost but before exceptional items (5-6)**	**(1,751.60)**	**(3,017.30)**	**(3,537.43)**	**(7,177.19)**	**(15,794.31)**	**(20,236.47)**
8	Exceptional items gain/ (loss)	-	-	-	(93.82)	1,902.34	-
9	**Loss from ordinary activities before tax (7-8)**	**(1,751.60)**	**(3,017.30)**	**(3,537.43)**	**(7,083.37)**	**(17,696.65)**	**(20,236.47)**
10	Tax expenses	-	-	-	-	-	-
11	**Loss from ordinary activities after tax (9-10)**	**(1,751.60)**	**(3,017.30)**	**(3,537.43)**	**(7,083.37)**	**(17,696.65)**	**(20,236.47)**
12	Extraordinary items (net of tax expenses)	-	-	-	-	-	-
13	**Loss after taxes (11+12)**	**(1,751.60)**	**(3,017.30)**	**(3,537.43)**	**(7,083.37)**	**(17,696.65)**	**(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)	-	-	-	-	-	(12,517.42)
16	Earning per share (before extraordinary item) (in Rs.) (not annualised)						
	Basic	(0.52)	(0.90)	(1.06)	(2.11)	(5.28)	(6.04)
	Diluted	(0.52)	(0.90)	(1.06)	(2.11)	(5.28)	(6.04)
17	Earning per share (after extraordinary item) (in Rs.) (not annualised)						
	Basic	(0.52)	(0.90)	(1.06)	(2.11)	(5.28)	(6.04)
	Diluted	(0.52)	(0.90)	(1.06)	(2.11)	(5.28)	(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	136,885,495	136,885,495	136,885,495	136,885,495	69,812,000	136,885,495
	- Number of shares	66.13%	66.13%	66.13%	66.13%	33.73%	66.13%
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	40.84%	40.84%	40.84%	40.84%	20.83%	40.84%
	- Percentage of shares (as a % of the total share capital of the company)						
	b) Non encumbered						
	- Number of shares	70,114,502	70,114,502	70,114,502	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%	33.87%	33.87%	66.27%	33.87%
	- Percentage of shares (as a % of the total share capital of the company)	20.92%	20.92%	20.92%	20.92%	40.93%	20.92%

* Refer note 3 relating to restatement of 'Finance cost'

	Particulars	Quarter ended 31.12.12
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 bahalf of the Board of Directors of
Indosolar Limited

Managing Director

Date : 13 February 2013
Place: New Delhi

1 The Company has incurred significant losses in the current quarter and in the nine months ended 31 December 2012 as well as in 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 3 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 had 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. The report to Board for Industrial and Financial Reconstruction has been made on 22 November 2012.

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 2 below.

2 The continuing mismatch between cost and selling prices resulted in very low capacity utilisation, amounting to virtual 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 business realities and such cash flows were incorporated in the CDR package which was approved by the consortium of banks in March 2012.

Management believes that the sector requires significant government support and policy intervention to achieve viability of the sector. A few such policy initiatives under active discussion which will have a positive impact, 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 which has been accepted for initiation of investigation; continuance and increasing the scope of Local Content Requirement ['LCR'] for the PV cells in Phase II of National Solar Mission [2013 to 2017]; mandating domestic content for thin film; 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'.

Anticipating significant policy initiatives, the industry has shown some signs of recovery and the Company is currently expanding its capacity. However, the actual net cash inflows are substantially lower than the projections incorporated in the CDR package. Management has formulated plans to increase its focus on the domestic market to increase profitability and to utilise its capacity to the optimum as a long term strategy.

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 periods, the cash flows that were prepared by management and as approved by the CDR cell have been considered for impairment assessment. The analysis based on aforesaid cash flow projections does not indicate impairment as at 31 December 2012.

3 As more fully explained in Note 1 and 2 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 has 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 nine months ended 31 December 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. 656.36 lakhs for the quarter and Rs. 1,165.89 for nine months ended 31 December 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	Nine months ended	Quarter ended	Nine months ended
	Un-audited	Un-audited	Un-audited	Un-audited
	31.12.2011	31.12.2011	31.12.2011	31.12.2011
Finance cost	2,000.06	5,637.73	1,343.70	4,471.84
Loss after taxes	4,193.79	18,862.54	3,537.43	17,696.65
Earnings per share - Basic	(1.25)	(5.63)	(1.06)	(5.28)
Earnings per share - Diluted	(1.25)	(5.63)	(1.06)	(5.28)

4 Prior period adjustments:

a. The result for the quarter and nine months ended 31 December 2011 includes prior period items of Rs. 924.26 and Rs. 955.42 respectively included in other operating income. The same represents income recognised on account of duty credit scrip equivalent to 2% of FOB value of exports (including sales made SEZ units) for the period 27 August 2009 to 30 September 2011 and August 2009 to 31 March 2011 respectively.

b. The result 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.

c. The annual financial results for the year ended 31 March 2012 included prior period relating to Commission expense (included in other expense) incurred for the period 1 May 2010 till 31 March 2011 amounting to Rs. 1,163.93 lakhs.

5 The Company has incurred expenses in foreign currency (including amortisation of imported machinery) amounting to Rs. 96,182.22 lakhs till 31 December 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. 20,321.55. Management is confident that they would be able to achieve a positive net foreign exchange during the unexpired period.

6 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.

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 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. 3,358.24 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.

9 The above results were reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 13 February 2013. The statutory auditors of the Company have carried out a Limited Review of the financial results for the quarter and nine months ended 31 December 2012 and have issued a qualified report with respect of the following matters: Treatment of demurrage charges amounting to Rs. 1,543.27 lakhs; Inventory valuation not being in accordance with requirements of AS 2 "Valuation of inventories" and uncertainity relating to whether there exists an impairment as at 31 December 2012 for reasons explained in para 2 above. The same has been filed with the stock exchange and is available on the website of the Company.

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

Managing Director

Date : 13 February 2013
Place : Greater Noida

B S R and Associates

Chartered Accountants

Building No.10, 8th Floor, Tower-B
DLF Cyber City, Phase - II
Gurgaon - 122 002 (India)

Telephone:+91-124-2549191
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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 nine months ended 31 December 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, had been lying at the bonded warehouse for a significant period of time until 31 December 2012. In the current quarter, a substantial portion of such machinery has been removed and demurrage/ detention charges/ground rent have been paid at the time of such removal amounting to Rs.1,543.27 lakhs and the same has been considered as an advance as at 31 December 2012. Management is of the view that such expenses are directly attributable to bringing the machinery to its current location and condition and should be capitalized. However, we are of the view that such charges should be treated as an expense and accordingly should not be capitalized as they cannot be considered as a cost that is directly attributable for getting the asset ready for its intended use in accordance with the requirements of AS 10 "Accounting for fixed assets". Had the Company accrued for such demurrage/ detention charges/ground rent, other expense would have been higher by Rs.1,543.27 lakhs and the loss for the quarter and the nine months ended 31 December 2012 would have been higher by the corresponding amount.*

4. *A portion of finished goods inventory as at 31 December 2012 has not been valued at lower of cost and net realizable value in accordance with the requirements of AS 2 on inventory valuation. Had the Company followed the principles as enunciated in AS 2 the closing inventory would have been lower by Rs. 379.58 lakhs and the loss for the quarter and nine months ended 31 December 2012 would have been higher by the corresponding amount.*

5. *Attention is invited to note 2, with regard to impairment assessment carried out by management based on projections of cash flows incorporated in the Corporate Debt Restructuring (CDR) package approved by the consortium of banks in March 2012. Such cash flows do not indicate impairment as at 31 December 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. However, the actual net cash inflows during the period ended 31 December 2012 are significantly lower than the projections for the same period incorporated in the CDR package. Whether in future periods the projected net cash inflows as per the CDR package will be generated or not depends on the results of all of the significant possible changes in the business dynamics which will be known only in the ensuing periods and cannot be reasonably estimated at present. Consequently, we are unable to assess whether or not there exists any impairment as at 31 December 2012 and, if so, the quantum thereof.*

6. Based on our review conducted as explained in paragraphs 1 and 2 and *subject to our observation in paragraphs 3, 4 and 5 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: 13 February 2013