29th May, 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.: Audited Financial Results and Audit Report for the quarter and year ended 31st March 2013

Dear Sir / Madam

In compliance with Clause 41 of the Listing Agreement, please find enclosed herewith the audited financial results for the quarter and year ended 31st March 2013 as reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on 29th May 2013.

Further, in compliance with Clause 41 of the Listing Agreement, please find enclosed herewith the Audit Report for the quarter and year ended 31st March 2013.

As regards para 1 of the audit report, we wish to submit that:

In the previous quarter ended 31st December 2012, the inventory was valued at net realizable value based on orders under active negotiation at that point of time. However, as the plant is shut down again during the course of ensuing quarter, the Management is of the opinion that it was not possible to execute these orders. Accordingly, The Management has changed the inventory valuation based on the prevalent market prices as stipulated in AS-2 and as such the observation of the auditors stands complied with.

INDOSOLAR LIMITED
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Tel: +91 120 4762500 Fax: +91 120 4762525 E-mail: info@indosolar.con.in
www.indosolar.co.in

As regards para 2 of the audit report, we wish to submit that:

Demurrage and detention charges are mainly in the nature of rental and storage expenses and accordingly considered as a part of acquisition of the assets and capitalized under Capital Work-in-Progress. The Management has also sought an opinion from the Institute of Chartered Accountants of India for the same and their reply is still awaited. Pending receipt of the reply from ICAI, we are treating these demurrage and detention charges as capital expenditure pending allocation.

As regards para 3 of the audit report, we wish to submit that:

The company was not in a position to carry out the production on continuous basis due to cost of production being higher than the marker price. The company has represented to the government for anti-dumping duty on imports and also applied for local content in the government projects and certain other incentives for revival of the industry which are still awaited, thus creating uncertain conditions. As such the auditors were unable to conclude on the ability of the company to carry on as a going concern.

Disclaimer of Opinion of the audit report:

The auditors have not expressed any opinion on the financial results due to their inability to collect audit evidence as required by the listing agreement on account of multiple uncertainties created by external and internal factors like consideration of 2nd Corporate Debt Restructuring proposal of the company to the banks, key policy initiatives of the government relating to anti-dumping duty, local content requirement, etc.

This is for your kind information and record, please.

For **INDOSOLAR LIMITED**

DIRECTOR

Encl.: As above

INDOSOLAR LIMITED
Regd. Office: C-12, Friends Colony (East), New Delhi-110065
STATEMENT OF STANDALONE AUDITED RESULTS FOR THE QUARTER AND YEAR ENDED 31 MARCH 2013

(Rs. in Lakhs)

Sl. No.	Particulars	3 months ended	Preceding 3 months ended	Corresponding 3 months ended in the previous year	Year ended	Year ended
		31.03.2013	31.12.2012	31.03.2012	31.03.2013	31.03.2012
		Audited *	Un-audited	Audited *	Audited	Audited
	Part I					
1	Income from operations					
a	Net sales/income from operations (net of excise duty)	3,365.91	1,604.27	76.73	5,311.55	8,134.26
b	Other operating income	3.65	0.88	1.49	11.79	1,063.23
	Total income from operations (net)	3,369.56	1,605.15	78.22	5,323.34	9,197.49
2	Expenses:					
a	Cost of materials consumed	3,781.19	1,268.46	30.45	5,690.88	8,611.61
b	Purchase of stock in trade	10.61	61.81	-	146.37	-
c	Changes in inventories of finished goods, work-in-progress and stock in trade	594.40	(1,027.00)	158.74	(1,087.01)	4,892.41
d	Employee benefits expense	234.06	212.03	239.35	893.25	1,046.95
e	Depreciation and amortisation expense	1,411.42	937.53	944.73	3,909.78	3,421.76
f	Power and fuel	480.91	199.65	73.25	1,051.10	702.29
g	Other expenses	279.29	426.50	1,701.93	1,534.13	5,354.93
	Total expenses	6,791.88	2,078.98	3,148.45	12,138.50	24,029.95
3	Loss from operations before other income, finance cost and exceptional items (1-2)	(3,422.32)	(473.83)	(3,070.23)	(6,815.16)	(14,832.46)
4	Other income	81.49	53.84	1,983.67	256.90	521.08
5	Loss from ordinary activities before finance costs and exceptional items (3+4)	(3,340.83)	(419.99)	(1,086.56)	(6,558.26)	(14,311.38)
6	Finance costs #	1,964.66	1,331.61	287.36	5,924.42	5,925.09
7	Loss from ordinary activities after finance cost but before exceptional items (5-6)	(5,305.49)	(1,751.60)	(1,373.92)	(12,482.68)	(20,236.47)
8	Exceptional items gain/ (loss)	-	-	-	93.82	-
9	Loss from ordinary activities before tax (7-8)	(5,305.49)	(1,751.60)	(1,373.92)	(12,388.86)	(20,236.47)
10	Tax expenses	-	-	-	-	-
11	Loss from ordinary activities after tax (9-10)	(5,305.49)	(1,751.60)	(1,373.92)	(12,388.86)	(20,236.47)
12	Extraordinary items (net of tax expenses)	-	-	-	-	-
13	Loss after taxes (11+12)	(5,305.49)	(1,751.60)	(1,373.92)	(12,388.86)	(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
15	Reserves (excluding revaluation reserve, if any)	-	-	-	(24,906.28)	(12,517.42)
16	Earning per share (before extraordinary item) (in Rs.) (not annualised)					
	Basic	(1.58)	(0.52)	(0.41)	(3.70)	(6.04)
	Diluted	(1.58)	(0.52)	(0.41)	(3.70)	(6.04)
17	Earning per share (after extraordinary item) (in Rs.) (not annualised)					
	Basic	(1.58)	(0.52)	(0.41)	(3.70)	(6.04)
	Diluted	(1.58)	(0.52)	(0.41)	(3.70)	(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
	- Percentage of shareholding	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	136,885,495
	- Number of shares	66.13%	66.13%	66.13%	66.13%	66.13%
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	40.84%	40.84%	40.84%	40.84%	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	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%	33.87%
	- Percentage of shares (as a % of the total share capital of the company)	20.92%	20.92%	20.92%	20.92%	20.92%

* Figures for the three months ended 31 March 2013 and 31 March 2012 respectively, are the 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 financial year. Also, the figures upto the end of the third quarter were only reviewed and not subject to audit.

Refer note 3 relating to restatement of 'Finance cost'

	Particulars	Quarter ended 31.03.13
B	Investor Complaints	
	Pending at the beginning of the quarter	-
	Received during the quarter	5
	Disposed of during the quarter	5
	Remaining unresolved at the end of the quarter	-

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

Managing Director

Date : 29 May 2013
Place: New Delhi

1 Standalone Statement of Assets and Liabilities

(Rs. in Lakhs)

Particulars	Audited As at 31 March 2013	Audited As at 31 March 2012
A Equity and Liabilities		
1 Shareholders' funds		
(a) Share capital	34,464.40	33,514.40
(b) Reserves and surplus	(24,906.28)	(12,517.42)
Sub-total - Shareholders' funds	**9,558.12**	**20,996.98**
2 Non-current liabilities		
(a) Long-term borrowings	84,483.20	73,314.84
(b) Other long-term liabilities	5,633.05	5,535.56
(c) Long-term provisions	30.51	25.26
Sub-total - Non-current liabilities	**90,146.76**	**78,875.66**
3 Current liabilities		
(a) Short-term borrowings	4,416.08	2,958.97
(b) Trade payables	4,328.60	2,500.58
(c) Other current liabilities	5,751.06	3,289.08
(d) Short-term provisions	7.06	10.97
Sub-total - Current liabilities	**14,502.80**	**8,757.60**
Total - Equity and liabilities	**114,207.68**	**108,630.24**
B Assets		
1 Non-current assets		
(a) Fixed assets	102,228.68	98,143.72
(b) Long-term loans and advances	1,509.54	1,068.58
(c) Other non-current assets	3,091.97	2,918.06
Sub-total - Non-current assets	**106,830.19**	**102,130.36**
2 Current assets		
(a) Current investments	-	9.85
(b) Inventories	4,045.17	3,210.60
(c) Trade receivables	1,783.10	1,081.87
(d) Cash and cash equivalents	294.65	1,046.91
(e) Short-term loans and advances	1,182.30	1,000.01
(f) Other current assets	72.27	150.84
Sub-total - Current assets	**7,377.49**	**6,499.88**
Total - Assets	**114,207.68**	**108,630.24**

Director

2 The Company has incurred significant losses in the current quarter and year ended 31 March 2013 resulting in substantial erosion of its net worth because of which the reference required in case of erosion of more than 50% of peak net worth was made to BIFR on 22 November 2012.

The Solar industry has witnessed turmoil owing to significant downturn in the global market due to structural over supply situation resulting in a significant reduction in prices of PV cells. As a result, the Company was unable to utilise its capacity as the cost of production of solar cells continued to be higher than the prevailing market prices and the plant has remained shut for a significant part of the current year and for the other part of the year has been operational at significantly low levels of capacity utilisation. Due to continuing pricing pressure the plant has been shut again in April 2013. Due to the prevailing conditions, the actual net cash inflows during the year ended 31 March 2013 are significantly lower than the projections for the same period incorporated in the first CDR package. Accordingly, the cash flow projections approved as part of the first CDR package are no longer reliable and future cash flows in the light of prevailing conditions is not determinable. Due to continued liquidity issues, the Company has approached the bankers for a second Corporate Debt Restructuring package. The response of the banks is awaited.

Results of key policy decisions necessary for the revival of the sector remain unknown at present. Some of these relate to: a) the imposition of Anti Dumping Duty per the application filed by Solar Manufacturers Association of India dated 18th January 2012; b) domestic content requirements for thin film technology; c) Incentivisation programme for solar projects; and d) eligibility of the Company for certain capital incentives.

As at the balance sheet date, the short term liabilities are exceeding the short term assets Rs. 7,125.31 lakhs. Also, as per the terms of Corporate Debt Restructuring package an amount of Rs. 2,281.89 lakhs representing 3% of the outstanding Term Loans, Funded Interest Term Loans, Working Capital Demand Loan and Priority Term Loan shall become payable in the year ending 31 March 2014. Further, there is a quarterly interest thereon which shall become payable from the beginning of the quarter ending 30 September 2013.
The above factors create multiple uncertainties and the effect thereof on the financial statements, if any, is not ascertainable.

3 During the year ended 31 March 2012, due to prevailing conditions as explained in Note 1, the Company had been incurring significant cash and operating losses. Accordingly, 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.

The debt restructuring package was given effect in the quarter ended 31 March 2012, in lieu of which appropriate adjustments were made. Also, 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 ended 31 March 2012 had incorporated the effect of the interest credit received including the period 1 July 2011 to 31 December 2011 amounting to Rs. 921.14 lakhs. Management has accordingly, given the effect of the interest credit received in 'Finance cost' by restating the figures for the quarter ended 31 December 2011 and 31 March 2012 amounting to Rs. 656.36 lakhs and Rs. 921.14 lakhs respectively. The effect of the adjustments and the impact thereof on the respective periods (as published earlier) is detailed below:

Particulars	Restated	Restated	Published	Published
	Quarter ended	Quarter ended	Quarter ended	Quarter ended
	Audited	Un-audited	Audited	Un-audited
	31.03.2012	31.12.2011	31.03.2012	31.12.2011
Finance cost	287.36	2,000.06	1,208.50	1,343.70
Loss after taxes	2,295.06	4,193.79	1,373.92	3,537.43
Earnings per share - Basic	(0.68)	(1.25)	(0.41)	(1.06)
Earnings per share - Diluted	(0.68)	(1.25)	(0.41)	(1.06)

As mentioned in Note 1 above the Company has approached the bankers for a second corporate debt restructuring package. The response of the banks is awaited

4 The Company had been awarded a turnkey contract by MP Urja Vikas Nigam Limited (MP Urja) for setting up of 3MW (in aggregate) SPV Power Plants with a capacity ranging between 10-50 KW per plant, vide letter of intent dated 12 September 2012, through a tender process during the quarter ended 31 December 2012. The contract included design, engineering, supply, installation and commissioning and interfacing of Solar Photovoltaic Power Plants (SPVPP) with 5 years Warranty Cum Comprehensive Maintenance Contract (CMC). Out of the total contract, 1.6 MW was required to be executed till 30 June 2013. The contract remained unexecuted as at 31 March 2013. However, the Company is in the process of executing 100 KW subsequent to 31 March 2013. Also, the Company has filed an application seeking extension with MP Urja for completion of work. The contract stipulates a penalty if there is a delay in completing the work order that can extend to a maximum of 10 % of the order value and in the event of delay beyond 10 weeks, MP Urja has the authority to cancel the contract. The likely impact of the loss or damage due to inability or delay to complete the orders by the Company is not quantifiable as the final outcome thereof, is uncertain and the same shall crystallise only after the completion of discussion and necessary clearances from the necessary authorities.

Director

5 Prior period adjustments:

a. 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. 969.78 lakhs.

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

c. The quarter ended 31 March 2013 includes adjustment of interest cost amounting to Rs. 273.11 lakhs that was incorrectly capitalised in the preceding quarter. The same has been corrected in the current quarter.

6 The Company has incurred expenses in foreign currency (including amortisation of imported machinery) amounting to Rs. 101,211.69 lakhs till 31 March 2013. 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. 22,124.03. As explained in Note 1 above, the ability of the Company to meet its export obligations over the next 6 years is dependent on various external and internal factors which have created multiple uncertainties, the effect of which if any is not ascertainable.

7 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.

8 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.

9 IPO proceeds amounting to Rs.15,580.55 lakhs is paid for acquisition of machineries for Line C, Rs.14,366.21 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. 2,375.00 lakhs pending utilisation, has been invested in interest bearing liquid instruments and bank deposits.

10 The above results were reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on 29 May 2013. The statutory auditors of the Company have carried out the statutory audit of the financial results for the quarter and year ended 31 March 2013 and have modified the report in relation to the following matters: Treatment of demurrage charges amounting to Rs. 1,365.94 lakhs; multiple uncertainties due to external and internal factors resulting in inability to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. 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

Director

Date : 29 May 2013
Place : New Delhi

B S R and Associates

Chartered Accountants

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

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Fax: +91-124-2549101

Independent Auditors' Report
To Board of Directors
Indosolar Limited

We were engaged to audit the accompanying annual financial results of Indosolar Limited for the year ended 31 March 2013 attached herewith, being submitted by the Company pursuant to the requirement of clause 41 of the Listing Agreement, 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 audited by us. Attention is drawn to the fact that the figures for the quarter ended 31 March 2013 and the corresponding quarter ended in the previous year as reported in these financial results are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of the third quarter of the relevant financial year. Also the figures up to the end of the third quarter had only been reviewed and not subjected to audit.

Management's Responsibility for the Financial Results

These financial results have been prepared on the basis of the annual financial statements and reviewed quarterly financial results upto the end of the third quarter. Management is responsible for the preparation of these financial results that give a true and fair view of the net profit/ loss and other financial information in accordance with the recognition and measurement principles laid down in the Companies (Accounting Standards) Rules, 2006 as per Section 211(3C) of the Companies Act, 1956 and other accounting principles generally accepted in India and in compliance with Clause 41 of the Listing Agreement. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial results based on our audit of annual financial statements. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Because of the matter described in the Basis for Disclaimer of Opinion paragraph, however, we were not able to obtain sufficient appropriate audit evidence to provide a basis for our opinion.

Basis for disclaimer of opinion

1. *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 March 2012. In the nine months period ended 31 December 2012 and in the current quarter ended 31 March 2013, a substantial portion of such machinery was removed and demurrage/ detention charges was paid at the time of such removal amounting to Rs.1,365.93 lakhs and the same has been considered as part of the cost of acquisition of an asset and capitalised under capital work-in-progress accordingly, as at 31 March 2013. 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, other expense would have been higher by Rs.1,365.93 lakhs and the loss for the year ended 31 March 2013 would have been higher by the corresponding amount. This was also the subject matter of a qualification in the previous quarter.

2. *Attention is invited to note 2, which explains in detail the substantial erosion of net worth as at the balance sheet date because of which the reference required in case of erosion of more than 50% of peak net worth has been made to BIFR during the year and also explains the multiple uncertainties being faced by the company. 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 and the plant has remained shut for a significant part of the current year and for the other part of the year has been operational at significantly low levels of capacity utilization. Key policy decisions such as those relating to imposition of Anti Dumping Duty, Local Content requirement and Company's eligibility for certain incentives remain unresolved.*

   The actual net cash inflows during the year ended 31 March 2013 are significantly lower than the projections for the same period incorporated in the first CDR package. Accordingly the cash flow projections approved as part of that CDR package can no longer be relied upon. Due to continued liquidity issues the Company has approached the bankers for a second Corporate Debt Restructuring package. The response of the banks is awaited.

   Overall the short term liabilities exceed the short term assets by Rs. 7,125.31 lakhs. In addition as per the terms of the first Corporate Debt Restructuring package, an amount of Rs. 2,281.89 lakhs, representing 3% of the outstanding Term Loans, Funded Interest Term Loans, Working Capital Demand Loan and Priority Term Loan together with quarterly interest thereon shall become payable in the year ending 31 March 2014.

   The above factors create multiple uncertainties and we are unable to determine their possible effects on the financial statements. We are also unable to conclude on the ability of the Company to carry on as a going concern.



Disclaimer of opinion

Because of the significance of the matters described, specifically relating to the multiple uncertainties created due to factors such as response of banks to the application filed for a 2nd Corporate Debt Restructuring; key policy initiatives of the government relating to anti dumping duty and local content requirement; we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion or state whether the financial results are presented in accordance with the requirements of Clause 41 of the Listing agreement. Accordingly, we do not express an opinion on the financial results.

Further, we also report that we have, on the basis of the books of account and other records and information and explanations given to us by the management, also verified the number of shares as well as percentage of shareholdings in respect of aggregate amount of public shareholdings, as furnished by the Company in terms of clause 35 of the Listing Agreement and found the same to be correct.

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

Vikram Advani
Partner
Membership number: 091765

Place: New Delhi
Date: