



3rd November 2018

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

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

Sub.: Outcome of the Board Meeting held on 3rd November, 2018
Reference: Regulation 30 and 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir(s),

We wish to inform that the Board of Directors of Indosolar Limited, at its meeting held today (3rd November 2018), has inter alia:

1. Considered, approved and taken on record the Unaudited Financial Results of the Company for the quarter and half year ended 30th September, 2018.

Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith the following:

- i) Unaudited Financial Results of the Company for the quarter and half year ended 30th September 2018; and
- ii) Limited Review Report on Unaudited Financial Results for the quarter and half year ended 30th September 2018.

This is for your kind information and record, please.

Thanking you
Yours truly

FOR INDOSOLAR LIMITED


Anand Kumar Agarwal
Chief Financial Officer

Encl.: As above

INDOSOLAR LIMITED

Regd. Office: C-12 Friends Colony (East), New Delhi-110065 INDIA

www.indosolar.co.in

Factory: 3C/1, EcoTech - II, Udyog Vihar, Greater Noida - 201 306 (U.P.) - INDIA
Tele: +91 - 120 - 476 2500 | Fax : +91 - 120 - 476 2525 E-mail: info@indosolar.co.in

CIN-L18101DL2005PLC134879

INDOSOLAR LIMITED Regd. Office: C-12, Friends Colony (East), New Delhi- 110065 Corporate Identification Number (CIN)- L18101DL2005PLC134879 Statement of Unaudited Financial Results for the Quarter and Half year ended 30th September, 2018						
						(Rs. In Lakhs)
Sl. No.	PARTICULARS	Quarter Ended			Half Year Ended	
		30.09.2018	30.06.2018	30.09.2017	30.09.2018	31.03.2018
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
I	Revenue from operations	118.62	1,203.89	10,061.51	1,322.51	31,412.37
II	Other Income	18.69	254.58	44.64	273.27	431.15
III	Total Income (I + II)	137.31	1,458.47	10,106.15	1,595.78	31,843.52
IV	Expenses :					
	(a) Cost of Materials consumed	1.79	864.09	6,787.57	865.88	21,577.99
	(b) Purchases of Stock-in-trade	46.17	97.05	1,808.56	143.22	4,401.94
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	62.23	382.45	851.18	444.68	1,910.30
	(d) Employee benefits expense	176.15	214.17	389.79	390.32	1,457.67
	(e) Finance costs	1,921.88	2,088.57	2,878.96	4,010.45	5,351.94
	(f) Depreciation and amortisation expense	608.05	650.53	734.95	1,258.58	2,810.58
	(g) Other expenses	718.31	912.16	1,172.60	1,630.47	4,203.34
	Total Expenses	3,534.58	5,209.02	14,623.61	8,743.60	41,713.76
V	Profit / (Loss) before exceptional and tax (III - IV)	(3,397.27)	(3,750.55)	(4,517.46)	(7,147.82)	(9,870.24)
VI	Exceptional items (refer note)	(42,819.12)	-	-	(42,819.12)	(6,410.96)
VII	Profit / (Loss) before tax (V - VI)	(46,216.39)	(3,750.55)	(4,517.46)	(49,966.94)	(16,281.20)
VIII	Tax expense					
	(a) Current Tax	-	-	-	-	2.32
	(b) Deferred Tax	-	-	-	-	-
	Total Tax Expense	-	-	-	-	2.32
IX	Net Profit/(Loss) after tax for the period (VII - VIII)	(46,216.39)	(3,750.55)	(4,517.46)	(49,966.94)	(16,283.52)
X	Other Comprehensive Income /(Loss)					
	Items to be reclassified to profit or loss	-	-	-	-	-
	Income tax relating to items to be reclassified to profit or loss	-	-	-	-	-
	Items not to be reclassified to profit or loss	2.88	2.89	(2.96)	5.77	11.55
	Income tax relating to items not to be reclassified to profit or loss	-	-	-	-	-
XI	Total Comprehensive Income for the period (Comprising Profit/(Loss) and other comprehensive Income for the period (IX + X)	(46,213.50)	(3,747.66)	(4,520.42)	(49,961.16)	(16,271.97)
XII	Paid-up equity share capital (Face value of Rs. 10/- each)	37,206.71	37,206.71	36,686.16	37,206.71	37,206.71
XIII	Other Equity					(82,859.67)
XIV	Earnings per equity share (EPS) (Face value of Rs. 10/- each) (not annualised):					
	- Basic (Rs.)	(12.42)	(1.01)	(1.23)	(13.43)	(4.44)
	- Diluted (Rs.)	(12.42)	(1.01)	(1.23)	(13.43)	(4.44)

For **INDOSOLAR LIMITED**

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Director

STATEMENT OF ASSETS AND LIABILITIES		
Particulars	As at 30.09.2018	As at 31.03.2018
	(Unaudited)	(Audited)
A. ASSETS		
1 Non - Current Assets		
a) Property, Plant and Equipment	16,605.31	42,636.89
b) Capital work in progress	8,298.65	25,747.97
c) Other Intangible assets	15.02	17.26
d) Financial Assets		
i) Loans	276.74	403.90
ii) Other Financial Assets	97.34	87.27
e) Non-Current tax assets (net)	30.58	33.74
f) Other non-current assets	-	1,017.28
Subtotal	25,323.65	69,944.31
2 Current Assets		
a) Inventories	849.23	2,665.61
b) Financial Assets		
i) Trade receivables	24.83	291.30
ii) Cash & Cash Equivalents	573.92	292.45
iii) Bank balances (other than cash and cash equivalents)	355.11	352.40
iv) Loans	4.33	4.77
c) Other current assets	128.59	821.02
Subtotal	1,936.01	4,427.55
TOTAL - ASSETS	27,259.66	74,371.86
B. EQUITY AND LIABILITIES		
1 EQUITY		
a) Equity Share Capital	37,206.71	37,206.71
b) Other Equity	(132,820.84)	(82,859.67)
Subtotal	(95,614.13)	(45,652.96)
2 Non - Current Liabilities		
a) Financial Liabilities		
i) Borrowings	29,752.79	30,443.02
b) Provisions	48.79	48.79
Subtotal	29,801.58	30,491.81
3 Current Liabilities		
a) Financial Liabilities		
i) Borrowings	3,535.14	3,546.20
ii) Trade Payables		
Total Outstanding Dues of Micro Enterprises and Small Enterprises	97.93	126.08
Total Outstanding Dues of Creditors other than Micro Enterprises and Small Enterprises	5,047.86	6,110.98
iii) Other financial liabilities	83,679.20	79,524.21
b) Other current liabilities	693.82	206.68
c) Provisions	18.26	18.87
Subtotal	93,072.20	89,533.01
TOTAL - EQUITY AND LIABILITIES	27,259.66	74,371.86

For **INDO SOLAR LIMITED**

[Signature]

Director

Notes:-

- 1 The above results have been reviewed by the Audit Committee and thereafter approved by the Board of Directors at their meeting held on November 03, 2018 and had undergone a 'Limited Review' by the Statutory Auditor's of the Company. These financial results have been prepared in accordance with Indian Accounting Standards (IND-AS) as prescribed under section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules thereafter.
- 2 The operations of the Company relate to single segment i.e manufacturer of Solar Photovoltaic Cells.
- 3 During the year 2017-18, the Company has received the approval of One Time Settlement ('OTS') Scheme from Union Bank of India ('Bank') vide sanction letters (i) dated 20.10.2017 bearing reference no. REF:IFB:CR:IND:2017-18/2010; (ii) dated 26.10.2017 bearing reference no. REF:IFB:CR:IND:2017-18/2610; and (iii) dated 19.12.2017 bearing reference no. REF:IFB:CR:IND:2017-18/1912 (hereinafter referred to as the "Sanction Letters for OTS") which were duly approved by the Board of Directors in their meeting held on 20th December, 2017. The OTS proposal contains: (a) the waiver of interest till March 2018, (b) The company has written back interest liability amounting to Rs. 20,707.31 lakhs as provided in the books of accounts upto 30.09.2017 which comprises interest charged to the Profit & Loss Account (i) upto 31.03.2017- Rs. 15,211.12 lakhs (ii) for the period from 01.04.2017-30.09.2017- Rs. 3,317.83 lakhs and (iii) Rs. 2,178.36 lakhs decapitalised from CWIP (c) restructuring of loan liability amounting to Rs. 20,866.44 lakhs, carrying interest @ 1 Y MCLR (presently 8.20%) on monthly basis. MCLR to be reset on annual basis subject to a minimum of 8.20% p.a. and payable in 29 installments commencing from 31.10.2017 and ending on 31.03.2024, (d) conversion of part of the loan amounting to Rs. 20,700.00 lakhs into 1% Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS) which are redeemable in 16 quarterly installments commencing from 30.06.2024 and ending on 31.03.2028. If the company does not pay as per stipulations, the OTS proposal will stand cancelled automatically and the bank will take suitable legal steps for recovery of entire dues. The Bank has option to convert OCCRPS into equity shares, in case of default in the payment of principal sum of the OCCRPS and Coupons on the Due Date. Provided that, a time period of 60 days to correct the default for the respective installments are allowed to the Company. **The company was unable to pay installment of loan and interest due on 30th September, 2018. However, the company has 60 days to rectify the default of loan installment. There is an ongoing default on payment of interest. Consequently, (i) Interest waived amounting to Rs. 17,389.48 lakhs upto 31.03.2017 may be reversed. (ii) The bank has right to charge interest for the subsequent period and for the interest free period i.e. April 2017 to March 2018 (amount not ascertained). & (iii) The bank may also withdraw other concessions i.e. lower rate of interest charged on outstanding amount for the period from April 2018 onwards etc.**
- 4 As on 30th September 2018, the current liabilities exceed the current assets by Rs. 91,005.88 lakhs. Due to non-fulfillment of its obligations under CDR package, the Company's accounts became Non-Performing Assets ("NPA"). Therefore, long term borrowings had been classified as current liabilities except borrowings from Union Bank of India (refer note no. 3 above). The management has evaluated the impact of CDR exit and is of the view that there would not be any material impact of the same on the financial results.
- 5 In the matter of Company's claim for eligibility of capital subsidy under SIP scheme of Govt. of India. Department of Electronics & Information Technology (DEIT) has since initiated the process of appraisal of the subsidy claim of the company. In the absence of the reasonable assurance, pending appraisal, the claim has not been recognized.
- 6 The Company has a carrying value of (i) Plant & Machinery Rs. 31,901.34 lakhs, (ii) CWIP of Plant & Machinery Rs. 26,354.80 lakhs and (iii) Buildings Rs. 6,972.99 lakhs as at September 30, 2018. The management had recognized an impairment loss of Rs. 30,700 lakhs upto 30.06.2018 based on value in use. During the quarter, the management has recognised a further impairment loss of Rs. 42,819.12 Lakhs in the carrying value which comprises of (i) Plant & Machinery Rs. 22,857.99 lakhs (upto 30.06.2018 Rs. Nil) (ii) CWIP of Plant & Machinery Rs. 18,056.14 lakhs (upto 30.06.2018 Rs. 30,700.00 lakhs) and (iii) Buildings Rs. 1,904.99 lakhs (upto 30.06.2018 Rs. Nil). The impairment loss in Plant & Machinery and CWIP is based on fair value less cost of sales (realizable value) determined by a registered valuer, M/s K. Lal & Associates as per their report dated 30.09.2018. The impairment of Buildings is based on fair value less cost of sales (realizable value) determined by a registered valuer, M/s Techmech International Pvt. Ltd as per their report dated 31.03.2018.
- 7 In view of the domestic content requirement in terms of CPSU Policy, Company's claim for capital incentive (SIP), ongoing settlement process with the remaining lenders and informal discussion with the various strategic investors the management believes that it is appropriate to prepare the accounts on a going concern basis.

For **INDO SOLAR LIMITED**

Director

- 8 Exceptional items consists of impairment loss of Rs. 42,819.12 lakhs in Carrying value of Plant & Machinery, CWIP of Plant & Machinery and Building amounting to Rs. 22,857.99 lakhs, Rs. 18,056.14 lakhs and Rs. 1,904.99 lakhs, respectively during the quarter and half year ended 30th September, 2018.
For the year ended March 31, 2018, Exceptional items include (i) Waiver of interest by Union Bank of India amounting to Rs. 15,211.12 lakhs, (ii) Gain on modification of loan (treated as extinguishment) due to fair valuation of 1% OCCRPS in part settlement of debt of Union Bank of India amounting of Rs. 9,077.92 lakhs based on discounting rate using the rate of interest applicable on the remaining loans by the bank, (iii) Impairment of Plant & Machinery under installation and shown as capital work in progress amounting to Rs.30,700.00 lakhs.
- 9 Pending settlement, the Company has not provided interest of Rs. 1,242.72 lakhs for the quarter ended 30th September 2018 and Rs. 3,828.80 lakhs for the half year ended 30th September 2018, on outstanding loans assigned by Andhra Bank & Indian Bank to Asset Reconstruction Company (India) Limited (ARCIL).
- 10 Being an Export Oriented Unit, the Company needs to achieve positive NFE during a period of 10 years from the start of commercial production. Till date the Company has spent Rs.188,468.59 lakhs (including amortisation of plant and machinery amounting to Rs. 45,935.89 lakhs) in foreign currency for Raw Material consumption, Stores & Spares and Expenses in foreign currency including amortization of all imported Plant and Machinery Line A&B and the Company has earned in foreign currency equivalent to Rs. 210,102.81 lakhs as per para 6.9(f) of FTP resulting into positive NFE Rs. 21,634.22 lakhs. In case the Company also amortizes value of Line-C till date (commercial production is yet to start) the Company's NFE will become negative to the extent Rs. 10,207.92 lakhs. In view of the future projections, the management is hopeful of achieving positive NFE and expects no cash outflow on this account.
- 11 During the earlier periods, the Company had made assessment of the future cash flow projections which was inter-alia based on the imposition of safeguard duty on imports, domestic content requirement and the commencement of commercial production of Line-C (under installation). However, due to prevailing market conditions the projections could not be achieved. The Company is continuing to incur operational losses due to i) imposition of lower than the expected safeguard duty having insignificant impact on the prices and ii) delay in implementation of domestic content requirement (CPSU) policy.
On the basis of overall evaluation of the factors and considering the domestic content requirements under various Government schemes, Company's claim for capital incentive from Department of Electronics & Information Technology (DEIT), and informal discussion with the certain strategic investors, the management believes that it is appropriate to prepare the accounts on a going concern basis.
- 12 The company has received a Show Cause Notice from Central GST and Central Excise Commissionerate for a demand of Rs. 1,193 lakhs for duty forgone on DTA sales.
The show cause notice alleges, on the basis of investigation made by the department following a visit by the Central Excise Officers to the Noticees premises on 23.10.2015, that the Noticees were importing raw materials/inputs without payment of customs duty under Notification No. 52/2003-Cus dated 31.03.2003, as amended and were also procuring raw materials/ inputs indigenously without payment of Central Excise Duty under Notification No. 22/2003-CE dated 31.03.2003, as amended, which were used in the manufacture of their finished products photovoltaic solar cell and were clearing the same to DTA at 'nil' rates of basic customs duty and CVD under Serial No. 332 of Notification No. 12/2012-CE dated 17.03.2012. The contention of the department is that since the Noticees cleared their finished goods photovoltaic solar cells (including broken and rejected cell) in DTA at nil rates of basic customs duty and CVD under serial no. 332 of Notification No. 12/2012-CE dated 17.03.2012 during the period April, 2016 to June, 2017, they are required to pay an amount equal to the duty foregone on raw materials/inputs used in the manufacture of such finished goods cleared to DTA in compliance with the conditions of first proviso to para 3 of notification No. 52/2003-Cus dated 31.03.2003 and second proviso to para 6 of Notification No. 22/2003-CE dated 31.03.2003.
The Company has contested the demand vide reply dated 21.05.2018, consequently no provision has been considered.
- 13 The Company has received an intimation from NCLT (New Delhi) regarding filing of liquidation petition by one of the lender bank, vide e-mail dated 24.10.2018.
- 14 The Company had shut down its production facilities w.e.f. 15th May, 2018 due to present unfavorable market conditions.

On behalf of the Board of Directors

For **INDO SOLAR LIMITED**


Hulas Rahul Gupta

Managing Director

DIN 00297722

Place: New Delhi

Dated: November 03, 2018



Arun K. Gupta & Associates
Chartered Accountants

D-58, East of Kailash,

New Delhi-110 065

Phone : 26287884 Fax : 26472939

Email : info@arunkguptaassociates.com

LIMITED REVIEW REPORT

**To,
The Board of Directors,
Indosolar Limited**

1. We have reviewed the accompanying statement of unaudited financial results of Indosolar Limited ("the Company") for the quarter ended September 30, 2018 & the year-to-date results for the period from April 01, 2018 to September 30, 2018 ("the Statement") attached herewith, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.
2. This statement is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" (Ind AS 34) prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the statement based on our review.
3. We conducted our review of the statement in accordance with the Standard on Review Engagements (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 Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. During the financial year 2016-17, two secured lenders have assigned their outstanding dues to Assets Reconstruction Company (India) Limited (ARCIL). As the Company has not received any confirmation for the quarter and half year ended 30th September 2018 and the terms of assignment to ARCIL have not been provided to the Company. As a consequence, the Company has not provided the interest for current quarter estimated at Rs. 1,242.72 lakhs and Rs. 3,828.80 lakhs for the half year ended 30th September 2018 which is based on the confirmation received from ARCIL for the quarter ended June 30, 2018. The total outstanding interest not provided by the Company on these loans is Rs. 13,418.04 lakhs as on September 30, 2018.

The interest of Rs. 1,242.72 lakhs and Rs. 3,828.80 lakh for the quarter and half year ended 30th September 2018 respectively has been under provided. Had the Company provided the interest on loans, loss would have been higher by Rs. 1,242.72 lakhs and Rs. 3,828.80 lakhs for the quarter and half year ended September 30, 2018 respectively and Current Liabilities and Reserve & Surplus would have been under stated by the same.

The Company has received a Show Cause Notice from Central GST and Central Excise Commissionerate for a demand of Rs. 1,193 lakhs for duty forgone on DTA sales. The Company has contested the demand vide reply dated 21.05.2018, consequently no provision has been considered. (Refer Note No. 12)



6. *The Company has received an intimation from NCLT (New Delhi) regarding filing of liquidation petition by one of the lender bank, vide e-mail dated 24.10.2018.*
7. *Attention is invited to the following developments as explained in detail in the notes to the financial results which are the basis of Disclaimer of opinion :*
 - a. *The Company has continued to incur significant losses in the current quarter resulting in further erosion of its net worth. The Company has a negative net worth amounting to Rs. 95,614.13 lakhs as on 30th September, 2018. The Company's current liabilities exceeds the current assets by Rs. 91,136.19 lakhs as on 30th September, 2018. The Company's long term, short-term borrowings and other current financial liabilities as at 30th September, 2018 includes the balances of term loan payable to various lender banks amounting to Rs. 32,691.40 lakhs and Rs.79,468.80 lakhs respectively on becoming non-performing assets. These lender banks have exited from Corporate Debt Restructuring (CDR) Cell vide its letter dated 4th November, 2016. However, in absence of requisite information from the banks, we are unable to comment upon the possible impact of such exit on the carrying value of aforesaid long term, short-term borrowings, other current financial liabilities as at 30th September, 2018 and interest expense (including compound and penal interest, if any) for the quarter ended 30th September, 2018 and the consequential impact on the accompanying statement.*
 - b. *During the year 2017-18 the Company had received the approval of One Time Settlement ('OTS') Scheme from Union Bank of India ('Bank') which was accounted for during FY 2017-18. The Company has defaulted in payment of installment and interest due on 30th September 2018. However, as per para 5.1 Article V of DEBT SETTLEMENT AGREEMENT (DEBT) executed on 20th December 2017, the Company can correct the default of repayment of installment within a period of 60 days. Therefore, the long-term loan has not been reclassified as current liability. As per the OTS Scheme, if the Company is unable to pay as per stipulations, the OTS proposal will stand cancelled automatically and the bank will take suitable legal steps for recovery of entire dues. Consequently, (i) Interest waived amounting to Rs. 17,389.48 lakhs upto 31.03.2017 may be reversed. (ii) The bank has right to charge interest for the subsequent period and for the interest free period i.e. April 2017 to March 2018 (amount not ascertained). & (iii) The bank may also withdraw other concessions i.e. lower rate of interest charged on outstanding amount for the period from April 2018 onwards etc. (Refer Note No 3)*
 - c. *In the matter of Company's claim for eligibility of capital subsidy under SIP scheme of Govt. of India. The uncertainty exists with regard to its quantum and receipt of claim pending its appraisal by Department of Electronics & Information Technology (DEIT). In the absence of the reasonable assurance, the management has not recognized the claim. (Refer Note No.5)*
 - d. *The Company (being an EOU) is required to meet its Net Foreign Earnings (NFE) commitment under the Foreign Trade Policy on the basis of which the Company has imported certain raw material, stores and spares and machineries without payment of custom duty. NFE as on 30th September, 2018 is negative by Rs.10,207.92 lakhs. In case positive NFE not achieved during the stipulated period, the Company would be liable to duties and penalties payable in accordance with Notification No. 52/2003 Dated 31.03.2003. Presently we are unable to comment upon the possible impact if any on the financial statement. (Refer Note No 10).*



- e. The Company has a carrying value of (i) Plant & Machinery Rs. 31,901.34 lakhs, (ii) CWIP of Plant & Machinery Rs. 26,354.80 lakhs and (iii) Buildings Rs. 6,972.99 lakhs as at September 30, 2018. The management had recognized an impairment loss of Rs. 30,700 lakhs upto 30.06.2018 **based on value in use**. During the quarter, the management has recognised a further impairment loss of Rs. 42,819.12 lakhs in the carrying value which comprises of (i) Plant & Machinery Rs. 22,857.99 lakhs (upto 30.06.2018 Rs. Nil) (ii) CWIP of Plant & Machinery Rs. 18,056.14 lakhs (upto 30.06.2018 Rs. 30,700.00 lakhs) and (iii) Buildings Rs. 1,904.99 lakhs (upto 30.06.2018 Rs. Nil). The impairment loss in Plant & Machinery and CWIP is based on fair value less cost of sales (realizable value) determined by a registered valuer, M/s K. Lal & Associates as per their report dated 30.09.2018. The impairment of Buildings is based on fair value less cost of sales (realizable value) determined by a registered, M/s Techmech International Pvt. Ltd as per their report dated 31.03.2018. We have relied on valuation report by registered valuers. However we are unable to comment on the adequacy of the impairment loss recognized during the year ended March 31, 2018 and half year ended September 30, 2018 and the consequential impact, if any, on the accompanying statement. (Refer Note No 6)
- f. The Company had shut down its production facilities w.e.f. 15th May, 2018 due to present unfavorable market conditions.
- g. During the earlier periods, the Company had made assessment of the future cash flow projections which was inter-alia based on the imposition of safeguard duty on imports, domestic content requirement and the commencement of commercial production of Line-C (under installation). However, due to prevailing market conditions the projections could not be achieved. The Company is continuing to incur operational losses due to i) imposition of lower than the expected safeguard duty having insignificant impact on the prices and ii) delay in implementation of domestic content requirement (CPSU) policy.

On the basis of overall evaluation of the factors and considering the domestic content requirements under various Government schemes, Company's claim for capital incentive from Department of Electronics & Information Technology (DEIT), and informal discussion with the certain strategic investors, the management believes that it is appropriate to prepare the accounts on a going concern basis. (Refer Note No 5 & 7)

- h. On the basis of overall evaluation of the above factors, in our view, the full erosion of net worth, inability of the Company to meet the financial projections due to operating and cash losses, due to continuing down trend in the solar industry, inability of the Company to meet its certain material liabilities and commitments, the fact that the impact of the government decisions would be known only in future, the uncertainty of outcome of claims, uncertainty on the ability of the Company to meet its export obligations & to install line C acquired in the financial year 2011-12 (appearing in CWIP), due to non-fulfillment of its financial obligations towards the supplier of the plant & technology, default in repayment of loan & interest installments under OTS create multiple uncertainties, and we are unable to determine their possible effects on the financial statements. We are also unable to comment or conclude on the ability of the Company to carry on as a going concern. This was also subject matter of a modification in our previous reports. Material uncertainties exist regarding the use of going concern assumption in preparing the financial statements.

In view of above uncertainties we are also unable to comment on the ability of the Company to continue as a going concern and consequential classification and adjustment to the accompanying financial statements, if any, that might have been necessary had the financial statements being prepared under liquidation basis. The extent of the effect on the resultant adjustments to the accumulated losses, assets and liabilities as at the quarter-end is presently not ascertainable.

DISCLAIMER OF OPINION

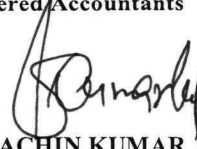
Because of the significance of the matters described in above paragraphs, specifically relating to the multiple uncertainties created due to various factors such as:

- (a) Filing of liquidation petition before NCLT New Delhi, by a lender
 - (b) Failure to meet obligations under One Time Settlement (OTS)
 - (c) Pending settlement with banks/ARCIL
 - (d) Cases of demands raised by statutory authorities
 - (e) Eligibility for incentives
 - (f) Impact on demand & pricing due to local content requirement,
- we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the financial statements.

8. Due to the possible effects of the matters described in the Basis of Disclaimer of Opinion paragraph, we are unable to state whether the accompanying Statements are in accordance with the Indian Accounting Standards and other accounting principles generally accepted in India and have disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For ARUN K GUPTA & ASSOCIATES
Firm Registration No.000605N
Chartered Accountants

Place: New Delhi
Dated: 03-11-2018


SACHIN KUMAR
PARTNER
M.No. 503204

