



10th August 2018

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

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

Sub.: Outcome of the Board Meeting held on 10th August, 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 (10th August, 2018), has inter alia:

1. Considered, approved and taken on record the Unaudited Financial Results of the Company for the quarter and three months ended 30th June, 2018.

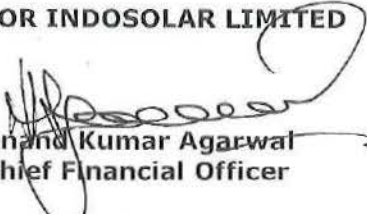
Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith the following:

- i) Unaudited Financial Results of the Company for the quarter and three months ended 30th June, 2018; and
- ii) Limited Review Report on Unaudited Financial Results for the quarter and three months ended 30th June, 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 ended 30th June, 2018

SL. No.	PARTICULARS	(Rs. in Lakhs)			
		Quarter Ended			Year Ended
		30.06.2018 (Unaudited)	31.03.2018 (Audited) (refer note no. 11)	30.06.2017 (Unaudited)	31.03.2018 (Audited)
I	Revenue from operations	1,203.89	5,357.59	10,768.95	31,412.37
II	Other Income	254.58	18.42	97.91	431.15
III	Total Income (I + II)	1,458.47	5,376.01	10,866.86	31,843.52
IV	Expenses :				
	(a) Cost of Materials consumed	864.09	4,310.51	6,073.39	21,577.99
	(b) Purchases of Stock-in-trade	97.05	858.59	1,467.02	4,401.94
	(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	382.45	(76.35)	316.54	1,910.30
	(d) Employee benefits expense	214.17	321.47	372.78	1,457.67
	(e) Finance costs	2,088.57	1,495.18	2,846.59	5,351.94
	(f) Depreciation and amortisation expense	650.53	670.48	715.10	2,810.58
	(g) Other expenses	912.16	820.18	1,320.20	4,203.34
	Total Expenses (IV)	5,209.02	8,400.06	13,111.61	41,713.76
V	Profit / (Loss) before exceptional items and tax (III - IV)	(3,750.55)	(3,024.05)	(2,244.75)	(9,870.24)
VI	Exceptional items Gain/(Loss) (refer note 8)	-	(15,700.00)	-	(6,410.96)
VII	Profit / (Loss) before tax (V - VI)	(3,750.55)	(18,724.05)	(2,244.75)	(16,281.20)
VIII	Tax expense				
	(a) Current Tax	-	2.32	-	2.32
	(b) Deferred Tax	-	-	-	-
	Total Tax Expense	-	2.32	-	2.32
IX	Net Profit/(Loss) after tax for the period (VII - VIII)	(3,750.55)	(18,726.37)	(2,244.75)	(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	2.89	20.44	(2.96)	11.55
	Income tax relating to items not to be reclassified to profit or loss	-	-	-	-
XI	Total Comprehensive Income (Comprising Profit/(Loss) and other comprehensive Income (IX + X))	(3,747.66)	(18,705.93)	(2,247.72)	(16,271.97)
XII	Paid-up equity share capital (Face value of Rs. 10/- each)	37,206.71	37,206.71	36,686.00	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.)	(1.01)	(5.03)	(0.62)	(4.44)
	- Diluted (Rs.)	(1.01)	(5.03)	(0.62)	(4.44)



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 August 10, 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 rest 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 stands 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.
- 4 As on 30th June 2018, the current liabilities exceed the current assets by Rs.88,267.18 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, the Special Leave petition (SLP) filed by the Department of Electronics & Information Technology (DEIT) against the order of the Hon'ble High Court of Delhi has been dismissed by the Hon'ble Supreme court vide its order dated August 25, 2017. DIT 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 management has performed an assessment of impairment of carrying value of Property, Plant and Equipment under installation, disclosed under CWIP, aggregating to Rs.56,447.97 lakhs as at March 31, 2018. The assessment has been done taking into consideration the future cash flow projections which is based on the imposition of safeguard duty on imports, domestic content requirement and the commencement of commercial production of Line-C (under installation). As per such assessment, the management has determined recoverable value of the assets, based on the value in use method and has recognized an impairment loss of Rs. 30,700.00 lakhs in the carrying value of Property, Plant and Equipment (CWIP) during the year ended March 31, 2018. In view of the above, the management believes that there would not be any further impairment during the quarter ended June 30, 2018.
- 7 In view of the domestic content requirement, the management's plan to commence the commercial production of Line-C (under installation) soon, company's claim for capital incentive (SIP) and ongoing settlement process with the remaining lenders, the management believes that it is appropriate to prepare the accounts on a going concern basis.



- 8 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.15,000.00 lakhs during the quarter ended 31st December, 2017. The Company has further impaired Plant & Machinery under installation (shown as capital work in progress) amounting to Rs.15,700.00 lakhs during the quarter ended 31st March, 2018.
- 9 Pending settlement, the Company has not provided, (i) interest of Rs.1,242.72 lakhs for the quarter ended 30th June 2018, (ii) on the basis of confirmation received, Companies liability to the ARCIL is more by Rs.1,343.36 lakhs as on 30th June 2018 which prima facie appears to be primarily compound interest 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.187,219.76 lakhs (including amortisation of plant and machinery amounting to Rs.44,688.96 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. 210,032.06 lakhs as per para 6.9(f) of FTP resulting into positive NFE Rs. 22,812.30 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. 7,810.72 lakhs. In view of the future projections, the management is hopeful of achieving positive NFE and expects no cash outflow on this account.
- 11 Figures of the quarter ended March 31, 2018 being the balancing figures in respect of the full financial year ended March 31, 2018 and the unaudited year to date figures upto the nine months ended December 31, 2017.

On behalf of the Board of Directors

Place: Greater Noida
Dated: August 10, 2018




Hulas Rahul Gupta
Managing Director
DIN 00297722



Arun K. Gupta & Associates
Chartered Accountants

*D-58, East of Kailash,
New Delhi-110 065*

Phone : 26287884 Fax : 26472939

Email : info@arunguptaassociates.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 June 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. This statement which 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 there under and other accounting principles generally accepted in India. Our responsibility is to issue a report on the statement based on our review.
2. 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.
3. Attention is invited to the following developments as explained in detail in the notes to the financial results:
 - 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. 49,400.63 lakhs as on 30th June, 2018. The Company's current liabilities exceeds the current assets by Rs. 88,267.18 lakhs as on 30th June, 2018. The Company's long term, short-term borrowings and other current financial liabilities as at 30th June, 2018 includes the balances of term loan payable to various lender banks amounting to Rs. 33,043.04 lakhs and Rs. 77,349.10 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 June, 2018 and interest expense (including penal interest, if any) for the quarter ended 30th June, 2018 and the consequential impact on the accompanying statement.*
 - b) *In the matter of Company's claim for eligibility of capital subsidy under SIP scheme of Govt. of India, the Special Leave petition (SLP) filed by the Department of Electronics & Information Technology (DEIT), against the order of the Hon'ble High Court of Delhi has been dismissed by the Hon'ble Supreme court vide its order dated August 25, 2017. The uncertainty exists with regard to its quantum and receipt of claim pending its appraisal by Department of Electronics & Information Technology. In the absence of the reasonable assurance, the management has not recognized the claim. (Refer Note No.5)*

- c) The Company (being an EOU) is required to meet its 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. As on 30th June., 2018 the Company's NFE is positive by Rs. 22,812.30 lakhs without considering the import value of amortization of Line-C. In case, Company also amortizes the value of Line C (Commercial production yet to start) NFE as on 30th June., 2018 would be negative by Rs.78,10.72 lakhs. In case positive NFE not achieved during the stipulated time, the company would be liable to duties and penalties payable in accordance with Notification No. 52/2003 Cus. Dated 31.03.2003. Presently we are unable to comment upon the possible impact if any on the accompanying statement. (Refer Note No 10).
- d) The Company has plant and machinery under installation, disclosed under CWIP, aggregating to Rs. 56,447.97 lakhs as at 31st March,2018 in respect of which management has recognized impairment loss of Rs. 30,700.00 lakhs during the year ended 31st March, 2018 based on recoverable value of the assets determined using value in use method. The impairment assessment is dependent on the various factors considered in making projections by the management. In the absence of sufficient and appropriate audit evidence with respect to the uncertainty underlying the assumptions used in long term projections of the financial statements, we are unable to comment on the carrying value of aforesaid Property, Plant and Equipment and adequacy of the impairment loss recognized during the year ended March 31, 2018 and the consequential impact, if any, on the accompanying statement. (Refer Note No 6)
- e) During the year 2017-18 the Company has received the approval of One Time Settlement ('OTS') Scheme from Union Bank of India ('Bank'). 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. (Refer Note No 3)

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

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, indicate the existence of material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern and therefore, the Company may not be able to realise its assets and discharge its liabilities in the normal course of business. Consequently, material uncertainties exist regarding the use of going concern assumption in preparing the financial statements.

In view of above uncertainties we are 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.



4. During the financial year 2016-17 two secured lenders have assigned their outstanding dues to Assets Reconstruction Company (India) Limited (ARCIL). Pending finalization of terms of assignment, the Company has not provided interest of Rs. 1,242.72 lakhs for the quarter ended June 30, 2018 & on the basis of confirmation received, Company's liability to the ARCIL is more by Rs. 1,343.36.lakhs as on 30th June 2018 which prima facie appears to be primarily compound interest.. Difference as on 30th June 2018 amounting to Rs. 1343.36 lakhs has been determined after considering the un-accounted interest reported by us in earlier periods. As a consequence to this, interest of Rs. 2,586.08 lakhs during the quarter has been under provided. Pending receipts of requisite details, their verification and reconciliation of the claim and pending OTS proposal of the Company, the Company has not provided the same.

As a consequence to this, interest of Rs.2,586.08 lakhs during the quarter ended June 30, 2018 has been under provided. Had the Company provided the interest on loans, loss for the quarter ended June 30, 2018 would have been higher by Rs. 2,586.08 lakhs and Current Liabilities and Reserve & Surplus have been under stated by the same.

5. Based on our review conducted as stated above nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not 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.

Place: Greater Noida
Dated: 10-08-2018



For ARUN K GUPTA & ASSOCIATES

Firm Registration No.000605N

Chartered Accountants

Sachin Kumar
SACHIN KUMAR

PARTNER

M.No. 503204