

14th November 2014

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 six months ended 30th September 2014**

Dear Sir / Madam

In compliance with Clause 41 of the Listing Agreement, please find enclosed herewith the unaudited financial results for the quarter and six months ended 30th September 2014 as reviewed by the Audit Committee and approved by the Board of Directors of the Company at their respective meetings held on 14th November 2014.

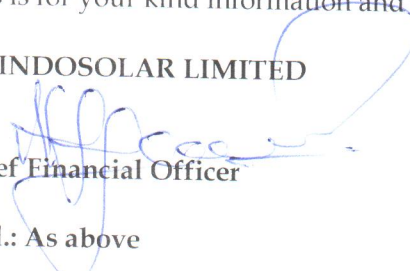
Further, in compliance with Clause 41 of the Listing Agreement, please find enclosed herewith the limited review report from the Statutory Auditors on unaudited financial results for the quarter and six months ended 30th September 2014.

As regards points 3 and 4 of the review 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 market price, this resulted into significant losses. The company approached bankers for the approval of 2nd CDR package which is under active consideration. The matter of capital subsidy is under dispute with the Govt. which is pending with Delhi High Court for final settlement. The company has contested the claim and also applied for extension of time for completing the project. With the strength of orders in hand the company is hopeful to meet out its export commitment to customs authorities within a short span of one year.

This is for your kind information and record, please.

For **INDOSOLAR LIMITED**


Chief Financial Officer

Encl.: As above

INDOSOLAR LIMITED

Formerly known as Robin Solar Pvt. Ltd.

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

CIN - L18101DL2005PLC134879

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

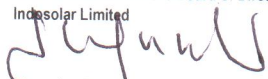
www.indosolar.co.in

STATEMENT OF STANDALONE UNAUDITED RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30 SEPTEMBER 2014

(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	Year ended
		30.09.2014	30.06.2014	30.09.2013	30.09.2014	30.09.2013	31.03.2014
		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)	4,024.13	371.81	226.49	4,395.94	986.60	1,538.88
b	Other operating income	2.41	-	5.13	2.41	12.98	27.97
	Total income from operations (net)	4,026.54	371.81	231.62	4,398.35	999.58	1,566.85
2	Expenses:						
a	Cost of materials consumed	2,876.98	(3.87)	(1.18)	2,873.11	95.85	101.54
b	Purchase of stock in trade	118.21	183.08	110.73	301.29	388.09	518.67
c	Changes in inventories of finished goods, work-in-progress and stock in trade	(568.96)	113.32	64.12	(455.64)	19.13	621.09
d	Employee benefits expense	213.20	92.09	83.72	305.29	178.72	313.05
e	Depreciation and amortisation expense (Refer note 7)	778.99	823.40	760.93	1,602.39	1,513.59	3,018.70
f	Power and fuel	620.84	52.94	8.80	673.78	52.30	65.22
g	Foreign exchange (gain)/loss (net) (Refer note 5)	(148.07)	21.24	311.04	(126.83)	872.07	694.44
h	Demurrage/detention charges	-	-	-	-	-	1,308.36
i	Other expenses	670.72	108.70	114.80	779.42	452.38	788.26
	Total expenses	4,561.91	1,390.90	1,452.96	5,952.81	3,572.13	7,429.33
3	Loss from operations before other income, finance cost and exceptional items (1-2)	(535.37)	(1,019.09)	(1,221.34)	(1,554.46)	(2,572.55)	(5,862.48)
4	Other income	5.75	63.33	49.96	69.08	111.32	242.58
5	Loss from ordinary activities before finance costs and exceptional items (3+4)	(529.62)	(955.76)	(1,171.38)	(1,485.38)	(2,461.23)	(5,619.90)
6	Finance costs (Refer note 5)	3,189.44	2,170.76	2,085.64	5,360.20	4,000.61	8,075.45
7	Loss from ordinary activities after finance cost but before exceptional items (5-6)	(3,719.06)	(3,126.52)	(3,257.02)	(6,845.58)	(6,461.84)	(13,695.35)
8	Exceptional items (expense)/income	-	-	-	-	-	-
9	Loss from ordinary activities before tax (7+8)	(3,719.06)	(3,126.52)	(3,257.02)	(6,845.58)	(6,461.84)	(13,695.35)
10	Tax expenses	-	-	-	-	-	-
11	Loss from ordinary activities after tax (9-10)	(3,719.06)	(3,126.52)	(3,257.02)	(6,845.58)	(6,461.84)	(13,695.35)
12	Extraordinary items (net of tax expenses Rs. nil)	-	-	-	-	-	-
13	Loss after taxes (11+12)	(3,719.06)	(3,126.52)	(3,257.02)	(6,845.58)	(6,461.84)	(13,695.35)
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)	-	-	-	-	-	(38,601.64)
16	Earning per share (before extraordinary item) (in Rs.) (not annualised)						
	Basic	(1.11)	(0.93)	(0.97)	(2.04)	(1.93)	(4.09)
	Diluted	(1.11)	(0.93)	(0.97)	(2.04)	(1.93)	(4.09)
17	Earning per share (after extraordinary item) (in Rs.) (not annualised)						
	Basic	(1.11)	(0.93)	(0.97)	(2.04)	(1.93)	(4.09)
	Diluted	(1.11)	(0.93)	(0.97)	(2.04)	(1.93)	(4.09)
Part II							
A	Particulars of Shareholding						
1	Public shareholding						
	- Number of shares	153,144,030	153,144,030	128,144,030	153,144,030	128,144,030	153,144,030
	- Percentage of shareholding	45.70%	45.70%	38.24%	45.70%	38.24%	45.70%
2	Promoters and promoter group shareholding						
a)	Pledged/ encumbered (Refer note 6)						
	- Number of shares	136,885,495	136,885,495	161,885,495	136,885,495	161,885,495	136,885,495
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	75.21%	75.21%	78.21%	75.21%	78.21%	75.21%
	- Percentage of shares (as a % of the total share capital of the company)	40.84%	40.84%	48.30%	40.84%	48.30%	40.84%
b)	Non encumbered (Refer note 6)						
	- Number of shares	45,114,502	45,114,502	45,114,502	45,114,502	45,114,502	45,114,502
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	24.79%	24.79%	21.79%	24.79%	21.79%	24.79%
	- Percentage of shares (as a % of the total share capital of the company)	13.46%	13.46%	13.46%	13.46%	13.46%	13.46%
B	Investor Complaints						
	Pending at the beginning of the quarter	-	-	-	-	-	-
	Received during the quarter	-	-	-	-	-	-
	Disposed off during the quarter	-	-	-	-	-	-
	Remaining unresolved at the end of the quarter	-	-	-	-	-	-

Date: 14 November 2014
Place: New Delhi

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

Managing Director

1 Standalone Statement of Assets and Liabilities

Particulars	(Rs. in Lakhs)	
	Un-audited As at 30 September 2014	Audited As at 31 March 2014
A Equity and Liabilities		
1 Shareholders' funds		
(a) Share capital	34,464.40	34,464.40
(b) Reserves and surplus	(45,493.14)	(38,601.64)
Sub-total - Shareholders' funds	(11,028.74)	(4,137.24)
2 Non-current liabilities		
(a) Long-term borrowings	63,318.30	72,927.59
(b) Other long-term liabilities		6,688.70
(c) Long-term provisions	16.58	16.58
Sub-total - Non-current liabilities	63,334.88	79,632.87
3 Current liabilities		
(a) Short-term borrowings		
(b) Trade payables	7,771.81	7,239.24
(c) Other current liabilities	2,310.13	1,410.15
(d) Short-term provisions	50,249.33	31,910.34
	1.44	1.44
Sub-total - Current liabilities	60,332.71	40,561.17
Total - Equity and liabilities	112,638.85	116,056.80
B Assets		
1 Non-current assets		
(a) Fixed assets	103,465.57	106,072.81
(b) Long-term loans and advances	1,172.85	1,126.74
(c) Other non-current assets	218.21	3,252.09
Sub-total - Non-current assets	104,856.63	110,451.64
2 Current assets		
(a) Inventories	4,646.31	3,672.41
(b) Trade receivables	728.96	331.48
(c) Cash and cash equivalents	535.37	221.12
(d) Short-term loans and advances	1,818.98	1,311.46
(e) Other current assets	52.60	68.69
Sub-total - Current assets	7,782.22	5,605.16
Total - Assets	112,638.85	116,056.80

- 2 The Company has continued to incur significant losses in the current quarter and year to date resulting in further erosion of its net worth which had already been fully eroded as at 31 March 2014. During the year ended 31 March 2013, on erosion of more than 50% of peak net worth, the Company had reported to BIFR (Board of Industrial and Financial Reconstruction) on 22 November 2013 in accordance with the requirements of Sick Industrial Companies Act, 1985.
- On an overall basis as on 30 September 2014, the short term liabilities exceed the short term assets by Rs 52,550.49 lakhs. In addition as per the terms of the first Corporate Debt Restructuring package, an amount of Rs. 17,174.72 lakhs has become repayable as at 30 September 2014 and a further amount of Rs. 17,151.88 lakhs is repayable by 31 March 2015. Also, there are outstanding foreign currency liabilities for purchase of material and capital goods aggregating to Rs. 2,441.95 lakhs which are outstanding for a period of more than 3 years as at 30 September 2014. Due to continued liquidity issues, the Company had approached the bankers for a second Corporate Debt Restructuring Package. The response of the banks is awaited.
- 3 The Solar industry has witnessed turmoil owing to significant downturn in the global market due to structural over supply situation. However, the domestic market as a result of several government initiatives to enhance solar power capacity in India has been showing an upturn off late. The Company which had not been able to utilize its capacity for a significant part of the last two years has recently won orders aggregating to 132.65 MW for an aggregate consideration of Rs. 37,500 lakhs, as a result of which the plant has recommenced commercial production and is expected to be fully utilized till May 2015.
- During the previous year, there have been some key policy announcements in the guidelines issued under the 'Jawaharlal Nehru National Solar Mission (JNNSM), Phase-II, Batch-I' that provided for bidding with domestic content requirement (both PVI/ thin film based cells and modules must be manufactured in India). Certain Public Sector Units (PSU) have also announced solar installation plans with domestic content requirement. The guidelines issued under JNNSM provide that such projects shall be incentivised by way of 'Viability Gap Funding' and the extent of funding shall be determined basis the project cost of setting up of such projects. The impact of these policy decisions in terms of pricing and orders placed on the Company shall be known only in the next few quarters.
- On the regulatory side, the Anti Dumping Duty application filed by Solar Manufacturers Association of India dated 18th January 2012, has been withdrawn by the association in view of the government's assurance of its intention to support domestic industry and meet its ambitious targets of solar installation.
- Considering the above referred domestic content requirements as put out in the guidelines and other expression of interests issued by certain PSUs, procurement of recent orders and resumption of fully capacity production during the current quarter and a techno economic viability conducted by an external expert which forms the basis of the application for seeking a second Corporate Debt Restructuring package, management believes that there is no impairment in respect of the carrying value of its fixed assets including capital work in progress as at 30 September 2014 and that it is appropriate to prepare the accounts on a going concern basis.
- The issue relating to the Company's eligibility for certain capital incentives is currently under litigation and the outcome is not known at present.
- 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). In accordance with the stipulated terms of the contract, the Company has deposited earnest money deposit (EMD) amounting to Rs. 60.10 lakhs. Out of the total contract, work orders aggregating to 1.6 MW amounting to Rs. 2,914.13 lakhs was raised on the Company that was required to be executed till 30 June 2013. The Company has raised the bills for having completed 0.1 MW (5 sites) until 30 September 2014 and the dues outstanding in relation to the executed portion amounts to Rs. 177.23 lakhs. The Company had also filed an application seeking extension with MP Urja for completion of the unexecuted work.
- During the previous year, the Company had received a final notice from MP Urja rejecting the extension plea and deciding to cancel the work order (other than the 3 sites considered completed by MP Urja) given to the Company alongwith the forfeiture of EMD and imposition of penalty due to the non compliance by the Company. MP Urja had also stated in the notice that it shall take action against the Company on account of breach of terms and conditions of the agreement. 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 MP Urja will be free to purchase the balance goods from elsewhere without notice to the Company and carry out the unexecuted work, at Company's cost and risk. Also, any loss or damage that MP Urja may sustain due to such failure MP Urja shall have a right to recover any loss or damage, if any, from any sum payable to the Company. Further, if recovery is not possible from the Company on account of the Company's failure to pay the losses or damages within one month from the claim, the recovery shall be made under Madhya Pradesh Public Demand Recovery Act or any other law applicable under these

Signature

The Company is contesting the aforesaid claims citing logistical issues, delay in handing over the sites and delays in issuing site completion reports by MP Urja and has requested to recall the notice for cancellation of work orders and has further requested to allow the Company to complete the pending work allocated. The response of MP Urja is still awaited. As a consequence, the impact of the loss or damage due to the action that MP Urja may take and the outcome of the final notice issued, that may include forfeiture of EMD, adjusting the dues against any loss or damage and levy of penalty, in the light of the Company expressing its inability to complete the order within the stipulated time period, is uncertain and the same shall crystallise only on the conclusion of discussion and the actions that the authorities may take against the Company.

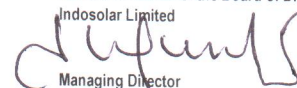
- 5 Prior period adjustments:
- The results for the current quarter ended 30 September 2014 includes prior period interest on long term borrowings amounting to Rs. 314.23 lakhs pertaining to the year ended 31 March 2014 and Rs. 303.66 pertaining to the quarter ended 30 June 2014.
 - The results for the quarter ended 30 June 2014 includes exchange loss recognised on restatement of foreign currency liability amounting to Rs. 69.60 lakhs pertaining to the year ended 31 March 2014.
 - The results for the quarter ended 30 September 2013 includes capitalisation of the exchange loss on the long term borrowings amounting to Rs. 424.83 lakhs. Out of the same, prior period exchange loss capitalised amounted to Rs. 310.91 lakhs, which pertained to quarter ended 30 June 2013 and Rs. 383.90 lakhs, which pertained to quarter ended 31 March 2012.
- 6 During the year ended 31 March 2012, the Company had sought for restructuring of its debt and the terms and conditions included provision for additional security from the promoters and pledge of their shares. In addition one of the Consortium banks had through its sanction letter dated 22 March 2012, requested for exclusive charge on additional 2.5 crores equity shares of the Company in connection with the structuring of short term loan given by the bank. During the quarter ended 31 December 2012, Greenlite Lighting Corporation, Canada (a promoter group company) entered into an agreement in lieu of the terms specified in the sanction letter for additional funding to the Company and pledged 2.5 crores equity shares held by it in the Company. During the current and previous quarters, the bank sold the pledged shares and the proceeds were utilised towards adjustment of the outstanding dues. The Company had however, omitted to include such pledged shares for disclosure under Part II of the results in accordance with Clause 35 of the Listing Agreement for all the quarters presented in the results from 31 December 2012 onwards. Accordingly, the effect of pledged shares has been taken in the shareholding pattern for all the quarter/ periods/ year disclosed in the results.

Particulars of Shareholding	30.09.2013	
	Restated	Published
Public shareholding		
- Number of shares	128,144,030	128,144,030
- Percentage of shareholding	38.24%	38.24%
Promoters and promoter group shareholding		
a) Pledged/ encumbered		
- Number of shares	161,885,495	136,885,495
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	78.21%	66.13%
- Percentage of shares (as a % of the total share capital of the company)	48.30%	40.84%
b) Non encumbered		
- Number of shares	45,114,502	70,114,502
- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	21.79%	33.87%
- Percentage of shares (as a % of the total share capital of the company)	13.46%	20.92%

- 7 Pursuant to Companies Act, 2013 ('the Act') being effective from 01 April 2014, the Company has revised depreciation rates on certain fixed assets as per the useful life specified in Part 'C' of Schedule II of the Act or as per the management's estimate based on preliminary internal/ external evaluation. As a result of this change, the depreciation charge for the quarter and six months ended 30 September 2014 is higher by Rs. 51.28 lakhs and Rs. 122.21 lakhs respectively. In respect of the assets whose useful life is already exhausted as on 01 April 2014, depreciation of Rs. 45.92 lakhs (net of tax impact of Rs. Nil) has been adjusted in Reserves and Surplus in accordance with the requirements of Schedule II of the Act. The Company is in the process of undertaking a detailed technical evaluation of useful life of its plant and machinery. Any adjustment on account of the same shall be considered in the following quarter.
- 8 The Company has incurred expenses in foreign currency (including amortisation of imported machinery) amounting to Rs. 110,612.95 lakhs till 30 September 2014. 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 positive Net Foreign Exchange within ten years from the commencement of its operation. At current quarter end (i.e. after five years of commencement of its operations), the Company's earnings is a negative Net Foreign Exchange Earnings of Rs. 25,590.38 lakhs (previous quarter Rs. 27,163.48). As explained in Note 3 above, the ability of the Company to meet its export obligations over the next 5 years is dependent on various factors which have created multiple uncertainties, the effect of which is not ascertainable at present.
- 9 One of the consortium lender banks of the Company has given the credit of Rs. 7.95 lakhs during the current quarter, Rs. 288.77 lakhs during the quarter ended 30 June 2014 and Rs. 223.83 lakhs during the year ended 31 March 2014 in the loan account of the Company with the realisations on sale of shares pledged by Greenlite Lighting Corporation, Canada (a promoter group company). The Company has recorded the same as interest free unsecured loan from Greenlite Lighting Corporation, Canada.
- 10 During the previous year, the Company had received a show cause notice from the Office of the Commissioner, Customs, Central Excise & Service Tax Commissionerate ('Authority'), Noida, whereby the authority has asked the Company to explain why custom duty of Rs. 9,430.19 lakhs along with interest and penalty thereon should not be levied on the Company in respect of import of duty free capital goods, as the Company could not install the machinery within the stipulated time period. The Company filed a reply with the authority citing the delays in installation primarily due to financial constraint arising out of the downturn in the solar industry. Response of the department on the same is still awaited.
- 11 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.
- 12 IPO proceeds amounting to Rs.15,580.55 lakhs is paid for acquisition of machineries for Line C. Rs.14,386.21 lakhs have been utilised towards repayment of loans from banks/ use for the operations of the Company, Rs. 2,375.00 lakhs has been utilised towards repayment of long term borrowings obtained for acquisition of machineries for Line C and Rs. 3,358.24 lakhs has been used for meeting IPO expenses. The balance of the IPO proceeds amounts to Rs. Nil.
- 13 During the current quarter, the Company has entered into two contracts with one of its customers for purchase of raw material (wafers) and supply of solar cells, wherein supplies are to be made after conversion of the raw material supplied by the customer resulting in a fixed net margin. The contract stipulates that the Company shall purchase raw material in quantities as mutually agreed in the contract and the payment in respect of the same shall be adjusted from the subsequent supplies of solar cells. Further, as per terms of the contracts, the Company has the primary responsibility for providing the goods or services to the customer or for fulfilling the order. Further significant risk and rewards of ownership in respect of the materials are being transferred to the respective parties under respective contracts. Accordingly, the Company has recorded the transactions at gross amount as purchase of raw material and sale of product as it believes that the both the purchase and sale arrangements are on a Principal to Principal basis.
- 14 The above results were reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on 14 November 2014. The statutory auditors of the Company carried out the limited review of the financial results for the quarter and six months ended 30 September 2014 and have modified the report in relation to the following matters: Material uncertainties primarily relating to the second Corporate Debt Restructuring Package pending approval by the consortium of banks; future pricing of cells in the domestic market; order quantities placed on the Company; and uncertainty over the outcome of the claims and counterclaims in relation to MP order as well as other litigations resulting in a qualified opinion. The same has been filed with the stock exchange and is available on the website of the Company.

Date: 14 November 2014
Place: New Delhi

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


Managing Director

B S R & Co. LLP

Chartered Accountants

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

Telephone: + 91 124 2549 191
Fax: + 91 124 2549 101

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 ended 30 September 2014 and six months ended 30 September 2014, 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. *Attention is invited to the following developments as explained in detail to the notes to the financial results:*
 - (a) *The Company has continued to incur significant losses in the current quarter and year to date resulting in further erosion of its net worth which had already been fully eroded as at 31 March 2014. Further the Company has not met its liabilities (Rs. 17,174.72 lakhs) due on the first corporate debt restructuring package and on account of purchase of materials and capital goods (Rs. 2,441.95 lakhs). The Company has therefore approached the bankers for a second corporate debt restructuring package on the basis of a technical economic viability study conducted by an external expert. (Note 2)*
 - (b) *As per the Company, despite significant downturn in global market, as a result of several initiatives by Government of India, the domestic market has been showing an upturn of late resulting in the Company having obtained orders for 132.65 MW in the current quarter which has resulted in recommencement of production which is expected to ensure full capacity utilization upto April 2015. The note also expands on certain measures taken/expected to be announced by the Government to support domestic manufacturers in India including the domestic content requirement, viability gap funding etc. (Note 3)*
 - (c) *The Company's claim to its being eligible for certain capital incentives is still under litigation. (Note 3)*
 - (d) *The dispute with MP Urja regarding the turnkey contract and the likely impact of the customers claim is uncertain. (Note 4)*
 - (e) *The Company has not been able to meet its commitment to customs authorities on the basis of which the company imported certain raw materials and machinery without payment of customs duty. (Note 8)*

On the basis of its overall evaluation of the above factors and as per the techno-economic viability study conducted by an external expert, the Company believes that there is no impairment in respect of carrying value of its fixed assets including capital work in progress as at 30 September 2014 and it is appropriate to prepare the accounts on a going concern basis. In our view, the full erosion of net worth, inability of the Company to meet certain material liabilities and commitments, the fact that the impact of the government decisions (some of which are yet to be announced) would be known only in future, the uncertainty of outcome of various litigations and claims and uncertainty regarding whether the second corporate debt restructuring package (which, as informed to us is under consideration by the bankers) would be sanctioned or not create material uncertainties (even though the procurement of certain orders in this quarter resulting in full resumption of production is a positive factor). Therefore, the quantum of impairment in respect of carrying value of fixed assets cannot be determined as at present and material uncertainties exist regarding the use of going concern assumption in preparing the financial results.

4. Based on our review conducted as explained in paragraphs 1 and 2 and subject to our observations in paragraphs 3 above which highlight material uncertainties, the impact of which is currently not ascertainable including the ability of the Company to continue as a going concern, 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 & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 101248W/W-100022



Vikram Advani

Partner

Membership number: 091765

Place: New Delhi

Date: 14 November 2014