



Independent Auditor's Review Report on Unaudited Standalone Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015.

**To,
The Resolution Professional,
Indosolar Limited,**

1. We, the Statutory Auditors, of the company have reviewed the accompanying statement of unaudited financial results of Indosolar Limited, company under CIRP ("the company"), for the quarter ended December 31, 2018 (hereinafter referred to as "the Statement") being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, read with SEBI CIR/CFD/CMD1/44/2019 dated March 29, 2019 including relevant circulars issued by SEBI from time to time. The figures related to third quarter only had been reviewed by us.
2. The Company had shut down its production facilities w.e.f 15th May 2018. A corporate insolvency resolution process ("CIRP") has been initiated against the company vide an order of Delhi bench of the National Company Law Tribunal (NCLT) dated April 12, 2019 under the provisions of the Insolvency and Bankruptcy Code 2016 (Code). Pursuant to the order, the power of the Board of directors stands suspended as per Section 17 of the Code and such powers are exercisable by Mr. Gulshan Gaba, who was appointed as interim resolution professional (IRP) and was consequently continued as Resolution Professional (RP) by the Committee of Creditors (COC).



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3. This Statement is responsibility of the company's management, since the powers of the Board have been suspended the above statement have not been adopted by Board of Directors. However, the same have been signed by Mr. H.R. Gupta, Managing Director and Mr. Anand Kumar Agarwal, Chief Financial Officer of the Company confirming accuracy and completeness of the results and taken on record by Mr. Gulshan Gaba, Resolution Professional. Our responsibility is to issue a report on the statement based on our review.
4. 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 from material misstatement. A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters and applying analytical and other review procedures to financial data. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
5. In preparing the financial results, management is responsible for assessing the Company's ability to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Under section 20 of the Code, it is incumbent upon Resolution Professional to manage the operations of the Company as a going concern and the financials results have been prepared on going concern basis.



Basis for Disclaimer of Opinion

1. We were appointed as auditors of the Company after March 31, 2019 and thus could not observe the counting of physical inventories at the beginning and end of the quarter. Inventory records were not provided to us for checking. These were not physically verified by us. Accordingly, we were unable to satisfy ourselves by alternative means concerning the inventory quantities held at December 31, 2018 and valuation thereof.

2. Gross block and net block of fixed assets as per books are inconsistent with data provided in Fixed Asset register. As a result of this, we are unable to verify the written down value of fixed assets sold during the year and resultant Profit/Loss.

The impairment loss in Plant & Machinery and CWIP was based on fair value less cost of sales (realizable value) determined by a registered valuer as on 30.09.2018 and for impairment in case of building the registered valuer report as on 29.03.2018 was referred. Further, the company has not done impairment test and not booked resultant impairment loss as on 31.12.2018.

3. We were unable to confirm or verify balances of accounts receivable and accounts payables and their resultant effect on Profit and loss account, if any.

4. Interest on borrowing in respect of facilities from Corporation bank, Union bank of India and Bank of Baroda has been booked only till September and Interest on loan taken over by ARCIL not booked. Being the company under CIRP, there is difference in total interest/ penal interest / expenses / others of approximately Rs. 84,295 lakhs pertain to this year or earlier years between claims admitted by Resolution Professional and balances in books.

5. The Company (being an EOU) has not been able to meet its commitment under the Foreign Trade Policy on the basis of which the Company imported certain raw material, stores and spares and machineries without payment of custom duty. As on 31st December 2018 the Company's NFE is positive by Rs. 20,387.30 lakh without considering the import value of amortization of Line-C. However, after amortization of value of line C NEF becomes negative by Rs. 12,670.59. The company is not able to achieve positive NFE 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 assess upon the possible impact if any on the accompanying statement.

6. 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.

Emphasis of Matter

We draw attention to the following matters:

- a) Note No. 1 regarding Corporate Insolvency Resolution Process(CIRP) initiated under Insolvency and Bankruptcy Code, 2016 ('the Code') and the outcome of the CIRP is subject to decision of APEX Court / NCLT.
- b) The Company has been continuously making losses, consequently its net worth is negative. This indicates the existence of material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern, However, in view of the CIRP in respect of the Company, which is in progress, the accounts have been prepared on a going concern basis [Refer Note 5 to financial results];
- c) 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. During the year 2018-19, OTS has been revoked vide letter having reference no. IFB:CR: IND:2018-19/2011 dated 12.12.2018. Consequently,

Interest waived amounting to Rs. 17,389.48 lakhs up to 31.03.2017 is to be reversed and (ii) interest for the interest free period i.e. April 2017 to March 2018 (amount not ascertained) is become payable,



(iii) The bank has also withdrawn other concessions i.e. lower rate of interest charged on outstanding amount for the period from April 2018 onwards, consequential interest need to be booked (amount not ascertained) (iv) Preference Shares become due and payable immediately.

d) Closing Stock of finished goods and raw material has been taken as nil.

e) As per the code the RP has to receive, collate and reconcile all the claims submitted by the creditors of the company. Such claims can be admitted to the RP during the CIRP, till the approval of a resolution plan by COC. The RP has verified and admitted the claims submitted by the creditors against the company as per the Code. Pending finalization of resolution plan, the impact of such claims if any that may also have not been considered in the preparation of the financial statements.

Conclusion:

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) Regulation 2015 including relevant circulars issued by SEBI from time to time, including the manner in which it is to be disclosed, or that it contains any material misstatement.

Place: New Delhi
Date: 19-Feb-2020

For A.K.G. & ASSOCIATES
Chartered Accountants
FRN. 002688N

Harvinder Singh
CA. Harvinder Singh
Partner
M. No. 087889
(UDIN:20087889AAAABM1318)

INDOSOLAR LIMITED

Regd. Office: C-12, Friends Colony (East), New Delhi- 110065
Corporate Identification Number (CIN)- L18101DL2005PLC134879

Statement of Audited Financial Results for the Quarter and Nine months ended 31st December 2018

S. No.	PARTICULARS	(Rs. in Lakhs)					
		Quarter Ended			Nine Months Ended		Year Ended
		31.12.2018 (Unaudited)	30.09.2018 (Unaudited)	31.12.2017 (Unaudited)	31.12.2018 (Unaudited)	31.12.2017 (Unaudited)	31.03.2018 (Audited)
I	Revenue from operations	0.16	118.62	5,224.32	1,322.67	26,054.78	31,412.37
II	Other Income	6.90	18.69	270.18	280.17	412.73	431.15
III	Total Income (I + II)	7.06	137.31	5,494.50	1,602.84	26,467.51	31,843.52
IV	Expenses:						
	(a) Cost of Materials consumed	230.11	1.79	4,406.52	1,095.99	17,267.48	21,577.99
	(b) Purchases of Stock-in-trade	-	46.17	267.77	143.22	3,543.35	4,401.94
	(c) Changes in inventories of finished goods, work-in- progress and stock-in-trade	70.72	62.23	818.93	515.40	1,986.65	1,910.30
	(d) Employee benefits expense	23.91	176.15	373.63	414.23	1,136.20	1,457.67
	(e) Finance costs	799.22	1,921.88	(1,912.39)	4,809.67	3,856.76	5,351.94
	(f) Depreciation and amortisation expense	584.34	608.05	690.05	1,842.92	2,140.10	2,810.58
	(g) Other expenses	(191.84)	718.31	933.96	1,438.63	3,383.16	4,203.34
	Total Expenses (IV)	1,516.46	3,534.58	5,578.47	10,260.06	33,313.70	41,713.76
V	Profit / (Loss) before exceptional items and tax (III - IV)	(1,509.40)	(3,397.27)	(83.97)	(8,657.22)	(6,846.19)	(9,870.24)
VI	Exceptional items (refer note 10)	-	(42,819.12)	9,289.04	(42,819.12)	9,289.04	(6,410.96)
	Prior Period expenses						
VII	Profit / (Loss) before tax (V - VI)	(1,509.40)	(46,216.39)	9,205.07	(51,476.34)	2,442.85	(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 (VII - VIII)	(1,509.40)	(46,216.39)	9,205.07	(51,476.34)	2,442.85	(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	(2.96)	5.77	(8.89)	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))	(1,509.40)	(46,213.51)	9,202.11	(51,470.57)	2,433.96	(16,271.97)
XII	Paid-up equity share capital (Face value of Rs. 10/- each)	37,206.71	37,206.71	37,206.71	37,206.71	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 annualized):						
	- Basic (Rs.)	(0.41)	(12.42)	2.51	(13.84)	0.67	(4.44)
	- Diluted (Rs.)	(0.41)	(12.42)	2.51	(13.84)	0.67	(4.44)

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1. Corporate Insolvency Resolution Process:

As per order of Hon'ble NCLT New Delhi dated 12 April 2019 under the provisions of Insolvency and Bankruptcy Code, the company is under Corporate Insolvency Resolution Process (CIRP). Its affairs, business and assets are being managed by the Resolution Professional. As per the code the RP has to receive, collate and reconcile all the claims submitted by the creditors of the company. Such claims can be admitted by the RP during the CIRP, till the approval of a resolution plan by the CoC. The RP has verified and admitted the claims submitted by the creditors against the company as per the Code. The summary of claims filled by financial creditor, operational creditors and employees and admitted by resolution professional as on 11 December 2019 are as follows:

a) Financial Creditors: Rs. 2,13,791.49

(including Bank of Baroda: Rs. 25918.78, Corporation Bank: Rs. 39576.49, ARCIL: Rs. 49974.13, Union Bank of India: Rs. 98322.09)

b) Operational Creditors: Rs. 4,360.36

c) Employees*: Rs. 256.81

* A litigation has been filed by 49 employees of the company for a claim of Rs. 399.49 with the Labour Court at Noida (UP). However, most of the said employees has also filed their claim with Resolution Professional (RP) which was admitted by RP on merits and details of which are available on website of company.

Pending finalization of resolution plan, the impact of such claims if any have not been considered in the preparation of the financial statement.

Since the creditors are shown at their carrying value and uncertainty relating to their payable amount, no further MSME interest has been provided during the year.

The Company had shut down its production facilities W.E.F 15th May, 2018. As a result majority of employees gradually left the organization. Due to lack of human resources and insufficient information, provisions and contingencies cannot be completely ascertained and provided in the books. Statutory payments made to authorities (ESI, PF, etc.) during the year 2018-19 are inconsistent with the salary amount booked for the year.

Further, the Company has continued to incur significant losses in the current quarter resulting in erosion of its net worth.

2. As the powers of the Board of Directors have been suspended, the above statement has not been adopted by the Board of Directors. However, the same have been signed by Mr. H.R. Gupta, Managing Director and Mr. Anand Kumar Agarwal, Chief Financial Officer of the Company confirming accuracy and completeness of the results and taken on record by Mr. Gulshan Gaba, Resolution Professional.



3. The operation of company relates to single segment i.e, manufacturer of Solar Photovoltaic Cells.
4. 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. During the year 2018-19, the Company has defaulted in payment of interest due from 31.07.2018 onwards and installment due from 30th September 2018 and onwards. Due to such default, OTS has been revoked vide letter having reference no. IFB:CR: IND:2018-19/2011 dated 12.12.2018. Consequently, Interest waived amounting to Rs. 17,389.48 lakh upto 31.03.2017 is to be reversed and (ii) interest for the interest free period i.e. April 2017 to March 2018 (amount not ascertained) is become payable, (iii) The bank has also withdrawn other concessions i.e. lower rate of interest charged on outstanding amount for the period from April 2018 onwards etc, (iv) the entire principal amount has become payable.

5. Going Concern:

The Company has continued to incur significant losses in the current year resulting in further erosion of its net worth. The Company's term loan payable to various lender banks become non-performing assets. Further, OTS scheme approved by Union Bank of India has been revoked. These conditions/factors raise significant doubt about the Company's ability to continue as a going concern.

The company is under Corporate Insolvency Resolution Process (CIRP) under Insolvency and Bankruptcy Code. Invitation for expression of interest has been issued by Resolution Professional on 03.07.2019 as a result of which two Resolution Plans has been received by him which are under consideration.

Considering the above and in expectation of the successful outcome of the above proposals. The management believes and has concluded that it is appropriate to prepare the accounts on going concern basis.

The financial statements do not include any adjustments relating to the recoverability and classification of carrying amounts of the assets and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

6. 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.
7. The value of inventory of finished goods and raw material has been taken as nil as it is expired and its present market value is zero except immaterial scrap value which cannot be determined as on date.

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8. The Company (being an EOU) has not been able to meet its commitment under the Foreign Trade Policy on the basis of which the Company imported certain raw material, stores and spares and machineries without payment of custom duty. As on 31st December, 2018 the Company's NFE is positive by Rs. 20,387.30 lakhs without considering the import value of amortization of Line-C. However, after amortization of value of line C NEF becomes negative by Rs. 12,670.59. The company is not able to achieve positive NFE 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.
9. Previous period figures have been regrouped/rearranged whenever considered necessary to make them comparable with current period.

Place: New Delhi
Dated: 19-Feb-2020



H. R. Gupta
Managing Director
DIN NO. 00297722



Anand Kumar Agarwal
Chief Financial Officer