RED HERRING PROSPECTUS

Please read Section 60B of the Companies Act, 1956

Dated September 4, 2010

(This Red Herring Prospectus will be updated upon filing with the RoC)

100% Book Built Issu

INDOSOLAR LIMITED

Our Company was incorporated under the Companies Act, 1956 on April 8, 2005 as "Robin Garments Private Limited". Subsequently, the name was changed to "Robin Solar Private Limited" pursuant to a special resolution of our shareholders dated July 2, 2008. A fresh certificate of incorporation consequent to such change of name was granted to our Company by the Registrar of Companies, NCT situated at New Delhi ("**RoC**") on July 21, 2008. Consequent to the amalgamation of the erstwhile Indosolar Limited with our Company in terms of the Scheme of Amalgamation, as sanctioned by the High Court of Delhi at New Delhi by its order dated September 16, 2009 (the "**Scheme**"), the name of our Company was changed to "Indosolar Limited" and the status was changed to a public limited company. A fresh certificate of incorporation consequent to such change in status was granted to our Company by the RoC on October 12, 2009. Further, a fresh certificate of incorporation consequent to such change in name was granted to our Company by the RoC on October 30, 2009**.** For further details in this regard, see the section titled "History and Certain Corporate Matters" on page 90.

Registered Office: C-12, Friends Colony (East), New Delhi 110 065, India. **Telephone:** +91 11 2684 1375; **Facsimile:** +91 11 2684 3949

For details in relation to change in our Registered Office, see the section titled "History and Certain Corporate Matters" on page 90.

Corporate Office: 3C/1, Ecotech – II, Udyog Vihar, District Gautam Budh Nagar, Greater Noida 201 306, Uttar Pradesh, India**. Telephone**: +91 120 4762500; **Facsimile**: +91 120 4762 525

Contact Person and Compliance Officer: Mr. Atul Kumar Mittal; **Telephone**: + 91 120 4762 500; **Facsimile**: + 91 120 4762 525 **Email**: atul.mittal@indosolar.co.in; **Website**: www.indosolar.co.in

PROMOTERS OF THE COMPANY: MR. BHUSHAN KUMAR GUPTA AND MR. HULAS RAHUL GUPTA

PUBLIC ISSUE OF [●] EQUITY SHARES OF FACE VALUE OF RS. 10 EACH ("EQUITY SHARES") OF INDOSOLAR LIMITED (THE "COMPANY" OR THE "ISSUER") FOR CASH AT A PRICE OF RS. [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF RS. [●] PER EQUITY SHARE) AGGREGATING RS. 35,700.00 LAKH (THE "ISSUE"). THE ISSUE WILL CONSTITUTE [●]% OF THE FULLY DILUTED POST ISSUE PAID-UP CAPITAL OF THE COMPANY.

PRICE BAND: RS. 29 TO RS. 32 PER EQUITY SHARE OF FACE VALUE OF RS. 10 EACH.
THE FLOOR PRICE IS 2.9 TIMES OF THE FACE VALUE AND AT THE CAP PRICE IS 3.2 TIMES OF THE FACE VALUE.

In case of any revision in the Price Band, the Bidding Period shall be extended for three additional Working Days after such revision of the Price Band, subject to the total Bidding Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bidding Period, if applicable, shall be widely disseminated by notification to the Self Certified Syndicate Banks ("**SCSBs**"), the National Stock Exchange of India Limited (the "**NSE**") and the Bombay Stock Exchange Limited (the "**BSE**"), by issuing a press release and also by indicating the change on the website of the Book Running Lead Manager.

The Issue is being made through the 100% Book Building Process in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the "**SEBI Regulations**"), wherein at least 50% of the Issue shall be allocated on a proportionate basis to Qualified Institutional Buyers ("**QIBs**"). If at least 50% of the Issue cannot be Allotted to QIBs, then the entire application money will be refunded forthwith. Our Company may, in consultation with the Book Running Lead Manager, allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Price on a discretionary basis, out of which at least one-third will be available for allocation to domestic Mutual Funds only. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs, subject to valid Bids being received from them at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than [●] Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to QIBs in proportion to their Bids. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received from them at or above the Issue Price. All Investors may participate in this Issue though the ASBA process by providing the details of their respective bank accounts in which the corresponding Bid Amounts will be blocked by the SCSBs. Specific attention of investors is invited to the section titled "Issue Procedure" on page 171.

RISKS IN RELATION TO FIRST ISSUE

This being the first public issue of the Issuer, there has been no formal market for our Equity Shares. The face value of the equity shares of our Company is Rs. 10 each and the Floor Price is 2.9 times of the face value and the Cap Price is 3.2 times of the face value**.** The Issue Price (as determined by our Company in consultation with Book Running Lead Manager, on the basis of the assessment of market demand for the Equity Shares by way of the Book Building Process and as stated in the section titled "Basis for the Issue Price" on page 39) should not be taken to be indicative of the market price of the Equity Shares after such Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the 'risk factors' carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and this Issue, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Red Herring Prospectus. Specific attention of the investors is invited to the section titled "Risk Factors" on page xi.

IPO GRADING

This Issue has been graded by CRISIL Limited and has been assigned the "IPO Grade 3/5" indicating average fundamentals ("**IPO Grading**"). For more information on IPO Grading, see the sections titled "General Information", "Öther Regulatory and Statutory Disclosures" and "Material Contracts and Documents for Inspection" on pages 9, 151 and 215, respectively.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Issuer, having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to the Issuer and this Issue, which is material in the context of this Issue, that the information contained in this Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading, in any material respect.

LISTING

The Equity Shares offered through this Red Herring Prospectus are proposed to be listed on the NSE and the BSE. Our Company has received in-principle approvals from the NSE and the BSE for listing of the Equity Shares pursuant to their letters dated February 23, 2010 and March 2, 2010, respectively. For the purposes of this Issue, National Stock Exchange of India Limited shall be the Designated Stock Exchange.

SOLE BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE ISSUE
ENAM	LINK INTIME INDIA PVT LTD (Formerly INTIME SPECTRUM REGISTRY LTD)
ENAM SECURITIES PRIVATE LIMITED 801/802, Dalamal Towers, Nariman Point, Mumbai 400 021, India. Telephone: +91 22 6638 1800 Facsimile: +91 22 2284 6824 Email: indosolaripo@enam.com Website: www.enam.com Investor Grievance ID: complaints@enam.com Contact Person: Mr. Akash Aggarwal SEBI registration number: INM000006856	**LINK INTIME INDIA PRIVATE LIMITED** C-13, Pannalal Silk Millls Compound, L.B.S. Marg, Bhandup (West) Mumbai 400 078, India. Telephone: + 91 22 2596 0320 Facsimile: + 91 22 2596 0329 Email: indosolar.ipo@linkintime.co.in Website: www.linkintime.co.in Contact Person: Mr. Pravin Kasare SEBI registration number: INR000004058

BID/ISSUE PROGRAMME

BID OPENS ON : SEPTEMBER 13, 2010*	BID CLOSES ON : SEPTEMBER 15, 2010

** The Company may consider participation by Anchor Investors. The Bidding Period for Anchor Investors shall be one Working Day prior to the Bid Opening Date.*

TABLE OF CONTENTS

SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates, requires or implies, the following terms shall have the following meanings in this Red Herring Prospectus.

Company Related Terms

Term	Description
Appointed Date	January 1, 2009.
"Articles" or "Articles of Association"	The articles of association of our Company, as amended.
Auditor	The statutory auditor of our Company, being M/s. B S R and Associates, Chartered Accountants.
"Board" or "Board of Directors"	The board of directors of our Company, as constituted from time to time, or committees thereof.
"Company" or the "Issuer" or "we" or "us" or "our"	Indosolar Limited, a public limited company incorporated under the Companies Act.
Corporate Office	The corporate office of our Company, situated at 3C/1, Ecotech – II, Udyog Vihar, District Gautam Budh Nagar, Greater Noida 201 306, Uttar Pradesh, India.
Director(s)	The director(s) on our Board.
Effective Date	The date on which the last of the approvals or sanctions specified in the Scheme were obtained and certified copies of the order of the High Court of Delhi at New Delhi were filed with the RoC by the Transferor Company and our Company, i.e., September 24, 2009.
Erstwhile Promoters	Mr. Manmohan Singh and Mr. Bhupendra Singh, the erstwhile promoters of our Company.
Group Companies	Companies, firms, ventures etc. promoted by our Promoters.
Land	The plot no. 3C/1, Udyog Vihar admeasuring 27,158.78 square meters situated within the Greater Noida Industrial Development Area.
"Memorandum" or "Memorandum of Association"	The memorandum of association of our Company, as amended from time to time.
Promoter(s)	The promoter(s) of our Company, being Mr. Bhushan Kumar Gupta and Mr. Hulas Rahul Gupta.
Promoter Group	The individuals, companies and entities, as described in the section titled "Our Promoters and Promoter Group" on page 111.
Registered Office	The registered office of our Company, situated at C-12, Friends Colony (East), New Delhi 110 065, India.
Scheme	The scheme of amalgamation of the Transferor Company with our Company as sanctioned by the High Court of Delhi at New Delhi by its order dated September 16, 2009, effective from the Effective Date.
Transferor Company	The erstwhile Indosolar Limited, earlier known as Phoenix Solar India Limited.

Issue Related Terms

Term	Description
Allot/ Allotment/ Allotted	The allotment of Equity Shares pursuant to this Issue.
Allottee	A successful Bidder to whom Allotment is made.
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion, who has Bid for an amount of at least Rs. 1,000 Lakh.
Anchor Investor Bidding Date	The date one Working Day prior to the Bid Opening Date prior to or after which no Bids will be accepted from the Anchor Investors.
Anchor Investor Portion	The portion of the Issue available for allocation to Anchor Investors on a discretionary basis at the Anchor Investor Price, in accordance with the SEBI Regulations, being up to 30% of the QIB Portion or up to [●] Equity Shares.
Anchor Investor Price	The price at which the Allotment is made to the Anchor Investors under the Anchor Investor Portion in terms of this Red Herring Prospectus, which shall be higher than or equal to the Issue Price, but not higher than the Cap Price.
ASBA or Application Supported by Blocked Amount	The application (whether physical or electronic) used to make a Bid authorizing the SCSB to block the Bid Amount in the specified bank account maintained with such SCSB.
ASBA Account	Account maintained with an SCSB which will be blocked by such SCSB to the

Term	Description
	extent of the appropriate Bid Amount in relation to a Bid by an ASBA Bidder.
ASBA Bidder	Prospective investors in this Issue who intend to Bid/ apply through ASBA.
ASBA Form	The form, whether physical or electronic, by which an ASBA Bidder can make a Bid pursuant to the terms of this Red Herring Prospectus and which will be considered as the application for Allotment.
Bankers to the Issue/ Escrow Collection Banks	The banks which are clearing members and registered with the SEBI as bankers to the Issue, in this case being HDFC Bank Limited, Standard Chartered Bank, Royal Bank of Scotland N.V., Union Bank of India, ICICI Bank Limited, the Hongkong and Shanghai Banking Corporation Limited and IDBI Bank Limited.
Basis of Allotment	The basis on which the Equity Shares will be allocated as described in the section titled "Issue Procedure–Basis of Allotment" on page 196.
Bid	An indication by a Bidder to make an offer to subscribe for Equity Shares pursuant to the terms of this Red Herring Prospectus.
Bidder	A prospective investor in this Issue, and unless otherwise stated or implied, includes an ASBA Bidder.
Bid Amount	The highest Bid Price indicated in the Bid cum Application Form or ASBA Form, as the case may be.
Bid cum Application Form	The form in terms of which a Bidder (other than an ASBA Bidder) makes a Bid in terms of this Red Herring Prospectus and which will be considered as the application for Allotment.
Bid Price	The prices indicated against each optional Bid in the Bid cum Application Form and the ASBA Form, as the case may be.
Bid Closing Date	Except in relation to Anchor Investors, the date after which the Book Running Lead Manager and the SCSBs will not accept any Bids, which shall be notified in an English national daily newspaper and a Hindi national daily newspaper, each with wide circulation and in case of any revision, the extended Bid Closing Date also to be notified on the website and terminals of the Book Running Lead Manager and SCSBs, as required under the SEBI Regulations.
Bid Opening Date	Except in relation to Anchor Investors, the date on which the Book Running Lead Manager and the SCSBs shall start accepting Bids, which shall be the date notified in an English national daily newspaper and a Hindi national daily newspaper, each with wide circulation and in case of any revision, the extended Bid Opening Date also to be notified on the website and terminals of the Book Running Lead Manager and SCSBs, as required under the SEBI Regulations.
Bidding Centre	A centre for acceptance of the Bid cum Application Form.
Bidding Period	The period between the Bid Opening Date and the Bid Closing Date (inclusive of both days) and during which Bidders (excluding Anchor Investors) can submit their Bids, inclusive of any revision thereof.
Book Building Process	The book building process as described in Part A of Schedule XI of the SEBI Regulations.
Book Running Lead Manager	The sole Book running lead manager to this Issue, being Enam Securities Private Limited.
CAN/ Confirmation of Allocation Note	In relation to Anchor Investors, the note or advice or intimation including any revisions thereof, sent to each successful Anchor Investors indicating the Equity Shares allocated after discovery of the Anchor Investor Price. In relation to Bidders other than Anchor Investors, the note or advice or intimation including any revisions thereof, sent to each successful Bidder indicating the Equity Shares allocated after discovery of the Issue Price in accordance with the Book Building Process.
Cap Price	The higher end of the Price Band in this case being Rs. 32, and any revisions thereof, above which the Issue Price will not be finalised and above which no Bids will be accepted.
Controlling Branches	Such branches of the SCSBs which coordinate Bids under this Issue by the ASBA Bidders with the Registrar to the Issue and the Stock Exchanges and a list of which is available at http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time.
Cut-Off Price	Any price within the Price Band determined by our Company, in consultation with the Book Running Lead Manager, at which only the Retail Individual Bidders are entitled to Bid, for a Bid Amount not exceeding Rs. 1,00,000.
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended.
Depository Participant or DP	A depository participant as defined under the Depositories Act.
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Forms and a list of which is available on http://www.sebi.gov.in or at such other website as may be

Term	Description
	prescribed by SEBI from time to time.
Designated Date	The date on which the Escrow Collection Banks and the SCSBs transfer the funds from the Escrow Accounts and the ASBA Accounts, respectively, to the Public Issue Account, in terms of this Red Herring Prospectus.
Designated Stock Exchange or DSE	NSE.
Draft Red Herring Prospectus	The draft red herring prospectus dated January 13, 2010 filed with SEBI and issued in accordance with the SEBI Regulations, which does not contain, *inter alia,* complete particulars of the price at which the Equity Shares are being issued.
Eligible NRI	An NRI from such a jurisdiction outside India where it is not unlawful to make an offer or invitation under this Issue and in relation to whom this Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares, pursuant to the terms hereof.
Equity Shares	The equity shares of our Company of face value of Rs. 10 each.
Escrow Account(s)	Accounts opened for this Issue to which cheques or drafts are issued by Bidders (excluding ASBA Bidders).
Escrow Agreement	An agreement to be entered into among our Company, the Registrar, the Escrow Collection Banks and the Book Running Lead Manager for the collection of Bid Amounts and for remitting refunds, if any, to the Bidders (excluding the ASBA Bidders) on the terms and conditions thereof.
First Bidder	The Bidder whose name appears first in the Bid cum Application Form, the Revision Form or the ASBA Form.
Floor Price	The lower end of the Price Band below which no Bids will be accepted, in this case being Rs. 29, and any revisions thereof.
IPO Grading Agency	CRISIL Limited, the credit rating agency appointed by our Company for grading this Issue.
Issue	The public issue of [●] Equity Shares aggregating Rs. 35,700.00 Lakh.
Issue Price	The price as determined by our Company, in consultation with the Book Running Lead Manager at which Equity Shares will be Allotted.
Key Managerial Personnel	The personnel listed as key managerial personnel in the section titled "Our Management" on page 98.
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996, as amended.
Mutual Fund Portion	5% of the Net QIB Portion or [●] Equity Shares, available for allocation to Mutual Funds only, out of the Net QIB Portion.
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares allocated to the Anchor Investors, being a minimum of [●] Equity Shares to be allocated to QIBs on a proportionate basis.
NIF	National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of Government of India published in the Gazette of India.
Non-Institutional Bidders	All Bidders (including sub-accounts of FIIs registered with SEBI which are foreign corporates or foreign individuals) that are not QIBs or Retail Individual Bidders and who have Bid for an amount more than Rs. 1,00,000.
Non-Institutional Portion	The portion of the Issue being not less than 15% of the Issue consisting of [●] Equity Shares, available for allocation to Non-Institutional Bidders.
Pre-IPO Placement	The preferential altotment by our Company after filing of the Draft Red Herring Prospectus with SEBI, of 14,00,000 Equity Shares to BETL and 36,40,579 Equity Shares to Schmid Singapore Pte. Ltd., on March 31, 2010 and June 1, 2010, respectively, for cash consideration aggregating to Rs. 1,960.23 Lakh.
Price Band	The price band between the Floor Price and the Cap Price, including any revisions thereof.
Pricing Date	The date on which the Issue Price is finalised by our Company, in consultation with the Book Running Lead Manager.
Prospectus	The prospectus of our Company to be filed with the RoC for this Issue after the Pricing Date in accordance with Sections 56, 60 and 60B of the Companies Act and the SEBI Regulations.
Public Issue Account	The bank account opened with the Bankers to the Issue by our Company under Section 73 of the Companies Act to receive money from the Escrow Accounts and the SCSBs from the relevant ASBA Accounts on the Designated Date.
QIBs or Qualified Institutional Buyers	Public financial institutions as specified in section 4A of the Companies Act, FIIs and their Sub-Accounts (other than Sub-Accounts which are foreign corporates or foreign individuals bidding under the QIB Portion), scheduled commercial banks, Mutual Funds, multilateral and bilateral development

Term	Description
	financial institutions, VCFs, FVCIs, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, NIF, provident funds with minimum corpus of Rs. 2,500 Lakh, pension funds with minimum corpus of Rs. 2,500 Lakh and insurance funds set up and managed by army, navy or air force of the Union of India in accordance with applicable law.
QIB Portion	The portion of this Issue being a minimum of [●] Equity Shares to be Allotted to QIBs.
Red Herring Prospectus/ RHP	This offer document dated September 4, 2010, issued by our Company in accordance with Sections 56, 60 and 60B of the Companies Act and the SEBI Regulations.
Refund Account	The account opened with the Refund Banker, from which refunds of the whole or part of the Bid Amount (excluding the ASBA Bidders), if any, shall be made.
Refund Banker	The Banker to the Issue, with whom the Refund Account will be opened, in this case being HDFC Bank Limited.
Registrar to the Issue/ Registrar	Link Intime India Private Limited.
Retail Individual Bidders	Bidders, including HUFs (applying through their *Karta*), who have Bid for an amount less than or equal to Rs. 1,00,000.
Retail Portion	The portion of the Issue being not less than 35% of this Issue, consisting of [●] Equity Shares, available for allocation to Retail Individual Bidders on a proportionate basis.
Revision Form	The form used by the Bidders to modify the quantity of Equity Shares or the Bid Price in any of their Bid cum Application Forms, ASBA Forms (if submitted in physical form) or any previous Revision Form(s), as the case may be.
Self Certified Syndicate Bank or SCSB	The banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offers facility of ASBA, and a list of which is available on http://www.sebi.gov.in, or at such other website as may be prescribed by SEBI from time to time.
Stock Exchanges	The NSE and the BSE.
Syndicate Agreement	The agreement to be entered into among our Company and the Book Running Lead Manager, in relation to the collection of Bids.
Transaction Registration Slip/ TRS	The slip or document issued by the Book Running Lead Manager or the SCSBs, as the case may be, to a Bidder upon demand as proof of registration of the Bid.
Underwriter/Syndicate	The Book Running Lead Manager.
Underwriting Agreement	The agreement to be entered into between the Underwriter and our Company on or after the Pricing Date.
Working Days	All days other than a Sunday or a public holiday (except during the Bidding Period where a working day means all days other than a Saturday, Sunday or a public holiday) on which commercial banks in Mumbai are open for business.

Abbreviations and References to Other Business Entities

BETL	Brand Equity Treaties Limited.
Schmid	Schmid Technology Systems GmbH, a company registered in the Federal Republic of Germany situated at Johann-Liesenberger-Str.7, D-78078 Niedereschach.

Conventional/General Terms, Abbreviations

Abbreviation	Full Form
A/c	Account.
AGM	Annual general meeting.
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India.
Assessment Year	The period of twelve months commencing from the first day of April every year.
BPLR	Benchmark Prime Lending Rate.
BSE	Bombay Stock Exchange Limited.
CDSL	Central Depository Services (India) Limited.
CIN	Corporate identification number.
Companies Act	The Companies Act, 1956, as amended.
CST	Central Sales Tax Act, 1956, as amended.
Demographic Details	The demographic details of the Bidders, including address, Bidders' bank account details, MICR code and occupation derived by the Registrar to the Issue from the PAN, DP ID and Client ID mentioned in the Bid cum Application

Abbreviation	Full Form
	Form, or the ASBA Form, as the case may be.
Depositories	NSDL and CDSL.
Depositories Act	The Depositories Act, 1996, as amended.
DIN	Director's identification number.
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India.
DP ID	Depository Participant's Identity.
DTA	Domestic Tariff Area.
EBITDA	Earnings before interest, tax, depreciation and amortisation.
ECS	Electronic clearing system.
EGM	Extraordinary general meeting.
EOU	Export oriented unit.
EPS	Earnings per share i.e., profit after tax for a Fiscal/period divided by the weighted average number of equity shares/potential equity shares during that Fiscal/period.
ESI	Employee's state insurance.
FCNR Account	Foreign currency non-resident account.
FDI	Foreign direct investment, as understood under applicable Indian regulations.
FEMA	The Foreign Exchange Management Act, 1999, together with rules and regulations framed thereunder, as amended.
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 and amendments thereto.
FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as amended.
FIPB	The Foreign Investment Promotion Board of the Government of India.
Fiscal or Financial Year or FY	A period of twelve months ended March 31 of that particular year, unless otherwise stated.
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended.
GNIDA	Greater Noida Industrial Development Authority.
GDP	Gross domestic product.
GIR Number	General index registry number.
GoI or Government of India	Government of India.
HUF	Hindu undivided family.
IFRS	International financial reporting standards.
Indian GAAP	Generally accepted accounting principles in India.
IPO	Initial public offering.
IRDA	The Insurance Regulatory and Development Authority constituted under the Insurance Regulatory and Development Authority Act, 1999, as amended.
IT	Information technology.
IT Act	The Income Tax Act, 1961, as amended.
ITC (HS)	Indian Trade Classification (Harmonisation System).
Lakh	0.10 million.
LOI	Letter of Intent.
LOP	Letter of Permission.
LPG	Liquified Pertoleum Gas.
Merchant Banker	Merchant banker as defined under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992.
MICR	Magnetic ink character recognition.
N.A.	Not applicable.
NAV	Net asset value being paid-up equity share capital plus free reserves (excluding reserves created out of revaluation, preference share capital and share application money) less deferred expenditure not written off (including miscellaneous expenses not written off) and debit balance of 'profit and loss account', divided by number of issued equity shares outstanding at the end of Fiscal.
NFE	Net Foreign Exchange Earnings.
NPV	Net Present Value.
NCT	National Capital Territory of Delhi and Haryana
NRE Account	Non-resident external account.
NRO Account	Non-resident ordinary account.
NSDL	National Securities Depository Limited.
NSE	The National Stock Exchange of India Limited.

Abbreviation	Full Form
p.a.	Per annum.
P/E Ratio	Price/earnings ratio.
PAN	Permanent Account Number allotted under the IT Act.
PLR	Prime lending rate.
RBI	Reserve Bank of India.
RoC	The Registrar of Companies, NCT at New Delhi.
RoNW	Return on net worth.
Rs. or Rupees	Indian Rupees.
RTGS	Real time gross settlement.
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act.
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended.
SEBI Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended.
Sec	Section.
Securities Act	The U.S. Securities Act of 1933, as amended.
SEZ	Special Economic Zone.
SICA	The Sick Industrial Companies (Special Provisions) Act, 1985, as amended.
Sub-Account	Sub-accounts registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investor) Regulations, 1995, as amended.
Takeover Code	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended.
U.S. GAAP	Generally accepted accounting principles in the United States of America.
U.S. or US or U.S.A	The United States of America.

Industry Related Terms

Term	Description
Ag-LIP	Light induced silver-plating.
B2B	Business-to-business.
Conversion Efficiency	The ability of SPV products to convert sunlight into electricity, and “conversion efficiency rates” are commonly used in the SPV industry to measure the percentage of light energy from the sun that is actually converted into electricity.
“Cost per Watt” or “Price per Watt”	The method by which the cost and price of SPV products, respectively, are commonly measured in the SPV industry. An SPV product is priced based on the number of watts of electricity it can generate.
DG	Diesel generator.
EOU	Export Oriented Unit.
EPC	Engineering, procurement and construction.
FAT	Final Acceptance Test.
FIT	Feed-in-Tariff.
FOB	Free On Board.
GW	Gigawatt, representing 1,000,000,000 watts, a unit of power-generating capacity or consumption.
IDC	Interest During Construction.
KV	Kilo Volt.
KVA	kilovolt Ampere.
KW	Kilo Watt.
kWh	Kilo watt hour.
LC	Letter of Credit.
mm	Millimetre.
MNRE	The Ministry of New and Renewable Energy, GoI.
MT	Metric tonne or million tonne.
MW	Megawatt, representing 1,000,000 watts, a unit of power-generating capacity or consumption.
Manufacturing Yield	The number of usable and saleable SPV cells generated from a manufacturng process over the number of input poly-silicon wafers, usually expressed as a percentage term. It is arrived at by dividing the total number of output SPV cells ovre the number of input wafers.
P-N	Positive-Negative.
PW	Per Watt.
SESI	Solar Energy Society of India.
Solarbuzz	Solarbuzz LLC.
“SPV” or “PV”	Solar photo-voltaic effect or the process by which sunlight is converted into

Term	Description
	electricity.
W	Watt.

The words and expressions used but not defined herein shall have the same meaning as is assigned to such terms under the Companies Act, the Securities Contracts (Regulation) Act, 1956, as amended, the Depositories Act and the rules and regulations made thereunder or such other applicable laws as amended from time to time.

Notwithstanding the foregoing, terms in sections titled “Main Provisions of the Articles of Association of our Company”, “Statement of Tax Benefits”, “Financial Statements” and “Finanical Information of Transferor Company” on pages 203, 41, F-1 and F-40, respectively, have the meanings given to such terms in these respective sections.

CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF PRESENTATION

Certain Conventions

In this Red Herring Prospectus, unless otherwise specified or the context otherwise requires, all references to "India" are to the Republic of India and all references to the "Government" are to the Government of India. All references to the "USA", the "United States" or the "U.S." are to the United States of America, together with its territories and possessions. All references to "Spain", "Germany", "Italy" and "China" are to the Kingdom of Spain, Federal Republic of Germany, Italian Republic and People's Republic of China, respectively, together with their respective territories and possessions.

Financial Data

Unless stated otherwise, the financial data in this Red Herring Prospectus is derived from our restated financial statements, prepared in accordance with Indian GAAP and the SEBI Regulations, which are included in this Red Herring Prospectus, and set out in the section titled "Financial Information—Financial Statements" on page F-1.

We have recently undergone a restructuring exercise pursuant to which the erstwhile "Indosolar Limited" amalgamated into our Company. The High Court of Delhi by its order dated September 16, 2009 approved the restructuring exercise with effect from the appointed date i.e., January 1, 2009 (the "**Appointed Date**"). Subsequently, the said the scheme of amalgamation became effective on September 24, 2009.

We commenced commercial production of SPV cells in July 2009 and have a limited operating history. The assets that we have been using in our business have been acquired with effect from the Appointed Date pursuant to the Scheme. Since we were a company with no material assets until the Appointed Date and no material business until July 2009, the financial information presented herein for periods prior to such dates will not be indicative of our results or business currently or going forward.

For further details, see the sections titled "History and Certain Corporate Matters", "Our Promoters And Promoter Group" and "Management's Discussion And Analysis of Financial Condition and Results of Operations" on pages 90, 111 and 117.

There are significant differences between Indian GAAP and IFRS. We have not attempted to explain those differences or quantify their impact on the financial data included herein and we urge you to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the Indian GAAP financial statements included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited.

Our fiscal year commences on April 1 of each year and ends on March 31 of next year, so all references to a particular "fiscal year" or "Fiscal" are to the 12-month period ended March 31 of that year. However, our fiscal year 2006 commenced on April 8, 2005 and ended on March 31, 2006. The revenue of our Company is referred to in this Red Herring Prospectus and in the financial statements mentioned herein as income.

In this Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. Unless stated otherwise, all figures have been rounded off to the second decimal point. Except as otherwise specified, throughout this Red Herring Prospectus, all figures have been expressed in Lakh. Ten Lakh is equivalent to one Million.

Currency of Presentation

All references to "Rupees" or "Rs." are to Indian Rupees, the official currency of the Republic of India. All references to "US$" or United States Dollars are to the official currency of the United States of America. All references to "€" are to Euros, the official currency of European Union.

Industry and Market Data

Unless stated otherwise, industry and market data used throughout this Red Herring Prospectus has been obtained from publicly available sources and industry publications including the following reports of Solarbuzz LLC: (i) "Marketbuzz 2009"; (ii) "Marketbuzz 2010" and (iii) "Solarbuzz Quarterly - Third Quarter 2009 Report".

Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe that industry data used in this Red Herring Prospectus is reliable, it has not been independently verified. Similarly, internal Company reports, while believed by us to be reliable, have not been verified by any independent sources.

Further, the extent to which the market data presented in this Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which we conduct our business, and methodologies and assumptions may vary widely among different industry sources. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, there is no assurance that they are sated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere.

FORWARD-LOOKING STATEMENTS

This Red Herring Prospectus contains certain "forward-looking statements". These forward looking statements can generally be identified by words or phrases such as "will", "aim", "will likely result", "believe", "expect", "will continue", "anticipate", "estimate", "intend", "potential", "plan", "contemplate", "seek to", "future", "objective", "goal", "may", "project", "should", "will pursue" and similar expressions or variations of such expressions.

Similarly, statements that describe our objectives, strategies, plans or goals are also forward-looking statements. These forward looking statements are based on our current plans and expectations and are subject to a number of uncertainties, assumptions and risks that could significantly affect our current plans and expectations, and our future financial condition and results of operations and may differ materially from those contemplated by the relevant forward-looking statement. These factors include, but are not limited to:

- Availability and price of poly-silicon wafers;
- Average selling price of SPV cells;
- Our manufacturing capacity;
- Our ability to meet our working capital requirements;
- Currency exchange rate fluctuations;
- Increases in interest rates;
- Rapid technological changes;
- Volatility in the solar power market, seasonal and other fluctuations and industry trends;
- Receipt of appropriate approvals or licenses;
- Acceptance of our SPV cells in the market for solar power products;
- Competition from existing competitors and potential new entrants;
- Our ability to manage our growth strategy;
- Our dependence on short-term contracts or sale in the spot market;
- Reduction or elimination of government subsidies and economic incentives; and
- Our limited operating history.

For a further discussion of factors that could cause our actual results or performance to differ, see the sections titled "Risk Factors", "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages xi, 56 and 117, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

Neither our Company, its Directors and officers, the Underwriters, nor any of their respective affiliates or associates has any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and the Book Running Lead Manager will ensure that investors in India are informed of material developments until such time as the grant of the final listing and trading permissions by the Stock Exchanges for the Allotment.

SECTION II – RISK FACTORS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this offer unless they can afford to take the risk of losing their investment. Investors should carefully consider all the information in this Red Herring Prospectus, including the risks and uncertainties described below and must rely on their own examination, before taking an investment decision in this offering. In addition, the risks set out in this Red Herring Prospectus may not be exhaustive and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or may become material in the future. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations and financial condition could suffer, the price of the Equity Shares could decline, and investors may lose all or part of their investment.

This Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. The Company's results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including events described below and elsewhere in this Red Herring Prospectus. The financial and other related implications of risks concerned, wherever quantifiable, have been disclosed in the risk factors mentioned below. However, there are risk factors where the impact is not quantifiable and hence the same has not been disclosed in such risk factors. Unless otherwise stated, the financial information of the Company used in this section is derived from our audited restated financial statements.

We have recently undergone a restructuring exercise and this section must be considered in light of the same. For details in relation to the restructuring exercise, see the sections titled "History and Certain Corporate Matters", "Our Promoters And Promoter Group" and "Management's Discussion And Analysis of Financial Condition and Results of Operations" on pages 90 , 111 and 117, respectively.

INTERNAL RISK FACTORS

Risks relating to our business and our Company

1. We have limited operating history as we had no operations and material business during periods up to Fiscal 2009.

We have recently undergone a restructuring exercise. The High Court of Delhi by its order dated September 16, 2009 approved the restructuring exercise with effect from the appointed date i.e., January 1, 2009. We commenced commercial production of SPV cells in July 2009 with one manufacturing line having an annual manufacturing capacity of 80 MW. The second manufacturing line having an equal capacity commenced commercial production in March 2010.

We had no operations during periods up to Fiscal 2009 and accordingly, had no operational income for such periods. Given our limited operating history in the SPV cell manufacturing business, we may not have sufficient experience to address the risks frequently encountered by companies with limited operating histories.

For our business to succeed, we must successfully undertake certain activities, including the following:

- Stabilize the commercial production of SPV cells from our second manufacturing line;
- Develop and increase our customer base;
- Implement and successfully execute our business and marketing strategy;
- Provide superior customer service and order fulfillment;
- Continue to develop our technology;
- Respond to competitive developments; and
- Attract, retain and motivate qualified personnel.

There can be no assurance that we will be successful in undertaking such activities. We may not be able to achieve or maintain satisfactory Manufacturing Yields or Conversion Efficiencies, which measure the ability of solar power products to convert sunlight into electricity, following the expansion of our operations. Our failure to successfully undertake one or more of the activities described above, though not quantifiable, could materially adversely affect our business, prospects, financial condition and results of operations. Further, our limited operating history may not provide a meaningful basis for evaluating our business, financial performance and prospects or to make a decision about an investment in the Equity Shares.

For further details in this regard, see the sections titled "History and Certain Corporate Matters" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 90 and 117, respectively.

2. We and our Promoters lack the adequate background and experience in the SPV cell industry and may not have sufficient experience to address risks frequently encountered by early stage companies.

We and our Promoters lack the adequate background and experience in the SPV cell industry and may not have sufficient experience to address the risks frequently encountered by early stage companies, including our ability to acquire and retain customers or maintain adequate control of our costs and expenses. If we are unsuccessful in addressing such risks, our business may be materially and adversely affected. Accordingly, investors should consider our business and prospects in light of the risks, losses and challenges that we face as an early-stage company with Promoters who lack experience in the SPV cell industry and should not rely on our results of operations for any prior periods as an indication of our future performance.

For further details in this regard, see the sections titled "History and Certain Corporate Matters", "Our Promoters And Promoter Group" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 90, 111 and 117, respectively.

3. We currently have negative cash flows, have incurred losses in the past and may incur losses in the future.

We commenced commercial production of SPV cells in July 2009 with one manufacturing line having an annual manufacturing capacity of 80 MW. The second manufacturing line having an equal capacity commenced commercial production in March 2010. We have sold only a limited number of SPV cells. We currently have negative cash flows from our operations. We had incurred net losses of Rs. 827.01 Lakh and Rs. 6,621.30 Lakh for Fiscal 2009 and Fiscal 2010, respectively, on the basis of audited restated financial statements. If we continue to incur such losses in the future, it may significantly reduce our net worth from current levels. For further details, see the section titled "Financial Statements" on page F-1.

Our ability to achieve and maintain profitability depends on, among others, the growth rate of the solar power market, the continued global market acceptance of solar power products in general and our products in particular, our ability to secure quality raw materials, primarily poly-silicon wafers, the pricing trend of solar power products, the competitiveness of our products as well as our ability to provide new products to meet the demands of our customers, our ability to achieve our manufacturing expansion plans and our ability to control our costs and expenses. Lack of presence in the market relative to our competitors could result in us incurring operating losses until such time as we receive a sufficient number of purchase orders for our SPV cells.

There can be no assurance that sales of our SPV cells will generate significant revenue, such that we will have a positive net worth or that we will generate positive cash flows from our operations in the foreseeable future, that we will not incur losses in the future or that we will be able to attain and maintain profitability in any future period. This may adversely impact our growth, expansion and results of operations.

4. Our Orderbook may not necessarily indicate what our future sales will be and our future operating results may fluctuate.

Our Orderbook is Rs. 1,01,190.02 Lakh as of July 31, 2010 with eleven customers from seven countries for delivery of 170.36 MW of SPV cells, based on conversion rate of 1€ = Rs. 60.53 and 1$ = Rs. 46.42 as on July 31, 2010. Out of the above-mentioned Orderbook, orders for 30.58 MW resulting in an aggregate income of Rs. 17,075.82 Lakh had been executed by our Company as of July 31, 2010. For further details, see the sections titled "Our Business" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 56 and 117, respectively.

While we consider the Orderbook to be an indicator of future sales of our products, customer orders may be subject to cancellation, inspection delays and other terms customary to our industry, and delivery dates may be subject to delay, thereby extending the date on which we will deliver the products and realize revenues. Many of our customers may not make purchases every year, since they may not need to replace, replenish or add to their inventory on a yearly basis. Many of our customers place orders for products on an as-needed basis. Further, we cannot guarantee that all contracts included in our Orderbook that actually generates sales would be as profitable as they have been in the past. Therefore, our current levels of Orderbook may not necessarily represent the level of sales that we may generate in the future.

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Source: www.oanda.com

5. Our restated financial statements contain Auditors' qualifications with respect to excess managerial remuneration, non-deposit of statutory dues to appropriate authorities and delay in repayment of interest dues to our lenders.

The restated financial statements included in this Red Herring Prospectus contain certain qualifications, which appear in the notes to the restated financial statements included in this Red Herring Prospectus.

Our financial statements for Fiscal 2009 and the Fiscal 2010 have been qualified with respect to the following:

"Audit qualifications and matters of emphasis, as the case may be, including our comments in annexure to our main audit report (Company's Auditors' Report Order 2003), where it is not possible to make adjustments or rectifications, has been summarised below:

a. Financial year ended March 31, 2010 (Audit qualifications)

Auditors' Report

(i) without qualifying our report, attention is invited to Note 18 of Schedule 19 regarding managerial remuneration amounting to Rs. 243.53 Lakh paid for the period 26 September to 31 March 2010, in excess of the limits prescribed under Schedule XIII of the Companies Act, 1956 and being held in trust by such managerial personnel. The Company has filed an application with the Central government for such excess remuneration for the financial year in respect of which the appointment is effective. The management believes that the Company shall be able to get the approval.

Annexure to the main Auditors report

(ii) The Company has delayed in repayment of interest dues to its bankers. However, such dues have been repaid within 30 days from the respective due dates. We observed delays of 2 to 15 days in payment of interest on term loan taken from Andhra Bank for various months amounting to Rs. 39.62 Lakh, Rs. 64.91 Lakh, Rs. 74.11 Lakh, Rs. 79.06 Lakh, Rs. 79.82 Lakh and Rs. 72.14 Lakh; delays of 3 to 15 days in payment of interest on term loan taken from Bank of Baroda for various months amounting to Rs. 87.90 Lakh, Rs. 85.16 Lakh, Rs. 88.12 Lakh, Rs. 88.62 Lakh and Rs. 79.85 Lakh; delays of 3 to 8 days in payment of interest on term loan taken from Corporation Bank for various months amounting to Rs. 84.72 Lakh, Rs. 82.09 Lakh, Rs. 85.00 Lakh, and Rs. 79.02 Lakh; delays of 3 to 14 days in payment of interest on term loan taken from Union Bank of India for various months amounting to Rs. 114.66 Lakh, Rs. 111.05 Lakh, Rs. 114.86 Lakh, Rs. 114.80 Lakh and Rs. 104.06 Lakh; and delays of 3 to 16 days in payment of interest on term loan taken from Indian Bank for various months amounting to Rs. 83.23 Lakh, Rs. 80.63 Lakh, Rs. 83.40 Lakh, Rs. 83.46 Lakh and Rs. 75.57 Lakh. The Company did not have any outstanding dues to any financial institutions or debenture holders during the year.

(iii) On an overall examination of the Balance Sheet of the Company, funds amounting to Rs. 5,385.35 Lakh raised on short-term basis have been used for long-term investment.

b. Financial year ended March 31, 2009 (Audit qualifications)

Annexure to the main Auditors report

(i) The amounts deducted/ accrued in the books of accounts in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Service tax, Wealth tax and other material statutory dues have not been regularly deposited with the appropriate authorities and there have been delays in a large number of cases.

(ii) On an overall examination of the Balance Sheet of the Company, funds amounting to Rs. 1,277.95 Lakh raised on short-term basis have been used for long-term investment.

For details, see the section titled "Financial Statements" on page F-1.

6. Reduction or elimination of government subsidies and economic incentives could cause demand for our products and consequently our revenues, to decline.

We expect that a substantial portion of our SPV cells, upon sale, shall eventually be utilized in the on-grid market, where the solar power systems are connected to the utility grid and generate electricity to feed into the grid. We believe that the near-term growth of the market for on-grid applications depends in large part on the availability and size of government subsidies and economic incentives.

Presently, when upfront system costs are factored into cost per KW, the cost of solar power substantially exceeds the cost of power supplied by the electric utility grid in almost all locations. As a result, national and local governmental bodies in many countries, most notably in Germany, Spain, Italy, the United States, India and China, have provided subsidies and economic incentives in the form of feed-in tariffs, rebates, tax credits and other incentives to distributors, system integrators and manufacturers of solar power products in order to promote the use of solar energy in on-grid applications and to reduce dependence on other forms of energy.

These government economic incentives could potentially be reduced or eliminated altogether. For example, Germany has been a strong supporter of solar power products and systems and is a significant market for our target customers that engage in solar module manufacturing and system integration businesses. Utilities in Germany are generally obligated to purchase electricity generated from grid-connected solar power systems at defined feed-in tariff rates, which will decline over time according to a predetermined schedule. Specifically, German subsidies decline at a rate of 5.0% to 6.5% per year for systems installed after 2006 based on year to year installation programs. Political or market changes in Germany could result in significant reductions or eliminations of subsidies or economic incentives, such as a more accelerated reduction of 'feed-in tariffs' than as planned according to the current schedule.

Reduction or elimination of subsidies and economic incentives for on-grid solar energy applications may adversely affect the growth of the market for solar products or result in increased price competition, any of which could result in decreased demand for our products and cause our revenues to decline. For instance, the "Special Incentive Package Scheme" of 2007 notified by the GoI is valid for a limited period and may not be continued/ renewed further.

For further details in this regard, see the sections titled "Industry Overview" and "Regulations and Policies" on pages 46 and 76, respectively.

7. Changes in the price of poly-silicon wafers due to changes in demand or other factors could interrupt or impair our ability to manufacture SPV cells.

In order to manufacture SPV cells, we require raw materials and components, primarily poly-silicon wafers and silicon-based raw materials. Our total raw material costs constitute 88.88% of our manufacturing costs. Poly-silicon wafers are the most important raw material for manufacturing SPV products. The price of poly-silicon, an essential raw material for production of SPV cells, is volatile.

The average long-term supply contract price of poly-silicon increased between 2006 and 2008. In addition, spot prices for solar grade poly-silicon rose by mid-2008. Increases in the price of poly-silicon have in the past resulted in increases in the price of wafers. However, in late 2008 and 2009, newly available poly-silicon supply and slowed global solar power market growth have resulted in an excess supply of poly-silicon, which created a downward pressure on the price of poly-silicon. According to Solarbuzz, spot prices for solar grade poly-silicon decreased rapidly from $ 450-470 per kilogram to $ 150-130 per kilogram in the first quarter of 2009. By 2009 year end, most poly-silicon spot pricing had drifted into the $55-60 per kilogram range with the larger established suppliers being at the higher end. For further details, see the section titled "Industry Overview" on page 46.

There can be no assurance that the price of poly-silicon will continue to decline. Further, there can be no assurance that the price of poly-silicon wafers will not increase in the future or that we will be able to pass on such increases to our customers and clients. During times of scarcity, suppliers could substantially increase their prices. Additionally, the prices of our primary raw materials fluctuate based on a number of factors outside our influence, including general economic conditions, competition, commodity market fluctuations, the quality and availability of supply, currency fluctuations, consumer demand, manufacturing capacity, transportation costs and import duties.

Our failure to achieve corresponding sales price increases in a timely manner, sales price erosion without a corresponding reduction in raw material costs, a significant shortage of supply of poly-silicon wafers and delays in its availability or failure to renegotiate favourable raw material supply contracts are all factors that could have a material adverse effect on our business, financial condition and results of operations.

8. We do not have a history of long-term relationships with poly silicon wafer suppliers. We are sensitive to uncertainty in availability of poly-silicon wafers, a key raw material and rely on third party suppliers for this purpose.

The availability of poly-silicon wafers, an essential raw material for production of SPV cells, is uncertain. We purchase poly-silicon wafers on a need basis primarily through the spot market purchase mechanism and seek to source such raw materials from diverse suppliers.

In the past several years, there was an industry-wide shortage of poly-silicon due to the growing demand for solar power products and the continuing expansion of the semiconductor industry. In the future, there may be an industry-wide shortage of poly-silicon due to the growing demand for solar power products and the continuing expansion of the semiconductor industry. We may, from time to time, experience late delivery from suppliers and may have to purchase silicon raw materials at higher price or of lower quality which in turn may result in lower Conversion Efficiencies and reduced revenues per SPV cell.

There can be no assurance that our current procurement efforts will be successful in ensuring an adequate supply of silicon raw materials at viable prices to meet our SPV cell production requirements. If we are unable to meet customer demand for our products, or if our products are only available at a higher price because of a shortage of poly-silicon raw materials, we could lose customers, market share and revenue. We do not have a history of long-term relationships with poly-silicon wafer suppliers. Also, many of our competitors, who also purchase poly-silicon raw materials from our suppliers, may have stronger relationships as well as greater bargaining power over the suppliers. This would materially and adversely affect our business, financial condition, results of operations and cash flow.

9. We currently do not have any long term contracts with any of our customers and our dependence on short-term contracts or sale in the spot market may adversely affect our future financial condition and results of operations.

We currently do not have any long term contracts with any of our customers and instead rely on other short-term contracts or the spot market sale mechanism whereby orders are taken on a short-term basis. Many of our sale contracts are for durations of less than five years and are subject to renewal. As these contracts reach the end of their stated terms, our customers can seek to renegotiate pricing or other terms with us or not renew the contracts. All of our customer contracts are on a non-exclusive basis and there is no guarantee that our present customers will continue to place orders with us. Any delay or default in payment by our customers, reduction in the volume of business with them or restriction in pricing terms for them may adversely affect our business and profitability. Further, if the prices of our raw materials were to increase in the future and we fail to develop long term relationships with our customers in the market, it could have an adverse impact on our profits. We may be unable to manufacture our products or our products may only be available at a higher price or after a long delay, and we may be unable to deliver our products to our customers in the required quantities and at prices that are profitable. Problems of this kind could cause order cancellations and loss of market share, which would affect our future financial condition and results of operations.

10. Our future success depends primarily on our ability to significantly increase both our manufacturing capacity and total output, which exposes us to a number of risks and uncertainties. Evaluation of the probable impact of our current and proposed development activity on our financial performance may be difficult while making a decision to invest in the Equity Shares.

We currently have two SPV cell manufacturing lines with an annual production capacity of approximately 160 MW. We plan to increase our annual manufacturing capacity to approximately 260 MW by 2011, with one additional manufacturing line of annual manufacturing capacity of 100 MW, as part of capacity expansion plans. For further details in this regard, see the sections titled "Our Business" and "Objects of the Issue" on pages 56 and 32, respectively. Our future success depends on our ability to significantly increase both our manufacturing capacity and total output. Our ability to do this is subject to significant risks and uncertainties, including:

- the need to raise significant additional funds, which we may be unable to obtain on commercially viable terms or at all, to purchase raw materials and to build additional manufacturing facilities; and

- delays and cost overruns as a result of a number of factors, many of which are beyond our control, such as increases in the price of and shortage in the supply of poly-silicon and silicon-based raw materials and problems with equipment vendors.

We have applied, post grant of an in-principle approval, to the Ministry of Communication and Information Technology, GoI for grant of a formal approval to award financial incentives of 25.00% of the total cost as submitted to the GoI under the "Special Incentive Package Scheme" of 2007 notified by the GoI. There can be no assurance that we would be able to receive the full portion of such financial incentives if granted or at all.

If we are unable to increase both our manufacturing capacity and total output or successfully operate additional manufacturing capacity, we may be unable to expand our business, decrease our Costs per Watt, maintain our competitive position and improve our profitability. Moreover, we cannot assure you that if we do expand our manufacturing capacity as planned, we will be able to generate sufficient customer demand for our solar power products to support our increased production levels.

Further, since our current and proposed development activity involves several risks and uncertainties such as availability of adequate funds, increases in the price of and shortage in the supply of poly-silicon and silicon-based raw materials, problems with equipment vendors and delays and cost overruns, evaluation of the probable impact of our current and proposed development activity on our financial performance may be difficult while making a decision to invest in the Equity Shares.

11. We have experienced time and cost overruns in the past. There can be no assurance that we will be able to complete our capacity expansion plans, within the stipulated time and budget.

We have experienced time and cost overruns in the past. There were delays of three and five months, respectively, in relation to the installation of our first two SPV cell manufacturing lines having an annual manufacturing capacity of 80 MW each and commencement of commercial production in relation thereto. The time overrun for the first manufacturing line was primarily due to breakage of plant and machinery during transit whereas that for the second manufacturing line was caused due to delay in shipment of equipment by Schmid. There has been a cost overrun of Rs. 4,960.10 Lakh and Rs. 369.05 Lakh, respectively, in the two manufacturing lines for our SPV cells. The cost overrun for the first manufacturing line was primarily due to factors such as change in design of building, escalation in prices of steel and cement since the date of financial closure, fluctuation in currency rates and procurement of certain additional auxiliary equipments whereas that for the second manufacturing line was caused due to delay in shipment of equipment by Schmid and resultant finance charges. For further details in this regard, see the section titled "History and Certain Corporate Matters" on page 90. There can be no assurance that we will be able to complete our capacity expansion plans, within the stipulated time and budget. This could adversely affect our results of operations and financial condition.

12. SPV cell manufacturing has substantial capital requirements and we may not be able to raise the required capital

As of March 31, 2010, our Company had outstanding rupee denominated secured loans of Rs. 53,673.49 Lakh. For further details, see the section titled "Financial Statements" on page F-1. As of March 31, 2010, our Company had outstanding contractual commitments contracts to be executed on capital account (net of advances) not provided for of Rs. 115.29 Lakh.

SPV cell manufacturing is typically capital intensive, requiring high levels of equity and debt financing. The ability of our Company to arrange for financing on commercially acceptable terms is dependent on numerous factors, including general economic and capital market conditions, availability of credit from banks and financial institutions, investor confidence and other factors which may be beyond our control.

If we decide to raise additional funds through the issuance of equity or equity-linked instruments, the interests of shareholders may be affected on account of dilution.

We have currently not obtained any foreign currency denominated debt, which may be less expensive than rupee denominated loans. We may not be able to raise future debt at the cost lesser than as our existing debt and on similar terms and conditions. Our level of existing debt and any new debt that we incur in the future has important consequences. For example, it could:

- increase our vulnerability to general adverse economic and industry conditions;
- limit our ability to fund future working capital, capital expenditures, and other general corporate requirements;
- require us to dedicate a substantial portion of our cash flow from operations to service our debt;
- limit our flexibility to react to changes in our business and the industry in which we operate;
- place us at a competitive disadvantage to any of our competitors that have less debt;
- require us to meet additional financial covenants;
- limit, along with other restrictive covenants, among other things, our ability to borrow additional funds; and
- an event of default, if not waived or cured can impact our reputation and prospects.

We have negative cash flows as at March 31, 2010. There can be no assurance that our business will generate cash in an amount sufficient to enable us to service our debt or to fund our other liquidity needs.In addition, we may need to refinance all or a portion of our debt on or before maturity. We cannot provide any assurance that we will be able to refinance any of our debt on commercially reasonable terms, or at all. There can be no assurance that our Company will be able to arrange the required financing in the future. In the event we are not able to meet our capital requirements, our business, financial condition and results of operations may be adversely affected.

13. We have significant working capital requirements and our inability to meet our working capital requirements may have an adverse effect on our results of operations.

Our business requires a significant amount of working capital. We grant our large customers credit terms, according to our current credit policy. Our working capital requirements may increase if credit period against sales is increased or there is a requirement to pay higher price for raw material or to pay excessive advances for procurement of raw materials. We may provide performance guarantees in favour of some of our customers to secure obligations under our contracts. In addition, letters of credit are often required to satisfy payment obligations to suppliers. All of these factors may result in increases in our short-term borrowings. In the event we are required to repay any working capital facilities upon receipt of a demand from any lender, or in case our current liabilities exceed our current assets, we may continue to have negative cash flows and we will be unable to satisfy our working capital requirements.

If we are unable to provide sufficient collateral to secure letters of credit or performance guarantees, our ability to enter into new sale contracts or obtain adequate supplies could be limited. There can be no assurance that we will continue to be successful in arranging adequate working capital for our existing or expanded operations on acceptable terms or at all, which could adversely affect our financial condition and results of operations.

14. The restrictive covenants imposed on us under our financing agreements could adversely affect our ability to conduct our business.

Many of our financing agreements also include various conditions and covenants that require us to obtain lender consents prior to carrying out certain activities and entering into certain transactions. The major corporate actions for which our Company requires the prior written consent of its lenders include *inter alia* change in capital structure, or creating, incurring, assuming or suffering indebtedness, except as permitted under the existing financing arrangements, or conveying, selling, leasing, transferring or assigning or otherwise disposing of any part of our properties or assets, except under permitted circumstances.

Compliance with the various terms of the loans is subject to interpretation and there can be no assurance that our Company would receive all consents from its lenders that would be advisable under the financing documents.

In the event the Company is not able to obtain the consent of its lenders for any of the events/actions mentioned above, it will not be able to carry out the said actions in the required manner or at all, which could adversely affect the business and operations of the Company. Some of such actions include changes in the management set-up of our Company, availing credit facilities from other banks/financial institutions, mergers, consolidation, reorganization or amalgamation or sale, lease, transfer or disposal of any secured properties.

The land underlying our manufacturing facility and certain other fixed assets are currently secured towards our existing borrowings. An event of default under any debt instrument, if not cured or waived, could have a material adverse effect on us, including invocation of their rights over the secured assets by our lenders.

As per a loan facility agreement and a share pledge agreement both dated January 16, 2009 entered into with Union Bank of India and the ancillary documents pursuant thereto, Union Bank of India has certain rights including the right to pledge further Equity Shares in its name in case the value of the pledged shares is insufficient, to the extent of 51% of share capital of our Company. Further, in the event our Company defaults in relation to any of the covenants in the facility agreement, Union Bank of India may exercise such rights conferred on it, including the right to recall the loan amounts sanctioned. If this happens, we may not be able to conduct our business as planned.

Any failure to comply with requirements to obtain consents or perform any condition or covenant could lead to a termination of one or more of its credit facilities, acceleration of amounts due under such facilities which may adversely affect our ability to conduct our business and have a material adverse effect on our financial condition and results of operations.

For further details, see the section titled “Financial Indebtedness” on page 140.

15. We may not continue to enjoy our existing tax benefits, which could adversely affect our profitability.

We are entitled to avail of certain direct tax exemptions or reimbursements on account of our manufacturing facility at Greater Noida being granted the status as a 100% ‘Export Oriented Unit’ under the Foreign Trade Policy 2009-2014 of the GoI. Such benefits are available under Section 10B of the IT Act which provide for deduction in respect of profits and gains derived by an EOU, subject to prescribed conditions for a period of 10 consecutive assessment years from the year in which the EOU begins to manufacture or produce. For further details in relation to the nature of benefits enjoyed by an EOU, see the section titled “Statement of Tax Benefits” on page 41.

Our profitability will be affected to the extent that such benefits shall not be available beyond the period currently contemplated in the relevant notifications/ circulars. Our profitability may be further affected in the future if any of the above mentioned benefits are reduced or withdrawn prior to the respective periods mentioned therein. There is no assurance that we will continue to enjoy such tax benefits in the future. Any change in Indian tax regulations or policy may result in us losing such benefits and our business, financial condition and results of operations may be adversely affected as a result.

16. Our business depends substantially on the continuing efforts of our senior executive officers and key employees such as our researchers and scientists, and our business may be severely disrupted if we lose their services and are unable to attract additional qualified personnel, if required.

We substantially depend upon the efforts and skills of our current senior management. Our future success and expansion strategy substantially depends on the continued services and performance of our Directors, members of our management team and other key employees possessing technical and business capabilities and industry expertise such as our researchers and scientists that are difficult to replace. There is intense competition for experienced senior management and personnel with technical and industry expertise in the industry in which we operate, and we may not be able to retain these officers or key employees. We presently do not have employment contracts or non-compete agreements with our Directors, senior management and other key personnel.

We may also need to increase our pay structures to attract and retain such personnel, which could affect our profit margins. Further, there can be no assurance that increased salaries will be successful in retaining such personnel. For details in relation to the steps taken by our Company to retain its Key Managerial Personnel, see the sections titled "Our Business – Human Resources" on page 73. The loss of the services of our Directors, senior management or other key personnel or our inability to recruit or train a sufficient number of experienced personnel or our inability to manage the attrition levels in different employee categories may have an adverse effect on our financial results and business prospects. Our success in attracting additional qualified personnel, if required, will depend on many factors, including our ability to provide them with competitive compensation arrangements, equity participation and other benefits. There is no assurance that we will be successful in attracting highly qualified individuals in key positions.

17. Our inability to manage our growth strategy could disrupt our business and reduce our profitability.

We may experience high growth in tandem with the solar power industry and expect our business to continue to grow significantly. As part of our growth strategy, we plan to continue to expand our manufacturing capacity, scale of operations and our customer base. However, such new business initiatives may not be successful. This could hamper our growth prospects and may also damage our reputation. Our future growth may place significant demands on our management and operations, and require us to continuously evolve and improve our financial, operation and other internal controls across the organization. Continued expansion increases the risks discussed in this section as well as other risks. In particular, we may be required to:

- Manage relationships with various strategic partners and other third parties;
- Hire and retain skilled personnel necessary to support our business;
- Train and manage a growing employee base;
- Continually develop our financial and information management systems; and
- Raise any required capital.

The success of our business will depend greatly on our ability to implement our business and strategies effectively. There can be no assurance that we will be able to execute our strategies on time and within the estimated fund requirements, or that we will meet the expectations of our customers, suppliers or future partners. If we fail to make adequate allowances for the costs and risks associated with this expansion or if our systems, procedures or controls are not adequate to support our operations, our business could be affected. Our inability to manage our business and strategies could have an adverse effect on our business, financial condition and profitability.

18. We face significant competition and any failure to compete effectively could result in decline in our market share and adversely affect our margins.

The market for SPV cells is intensely competitive and is continually evolving. We expect to experience competition from numerous companies, domestic and global, in each of the markets in which we presently operate or will participate in the future, which may result in price reductions, reduced margins or loss of market share.

Many of our competitors may have a stronger market position than ours and may have larger resources and better name recognition than we have. Further, our competitors may be developing and are currently producing products based on alternative solar power technologies, such as thin-film technologies, which may ultimately have costs similar to, or lower than, our projected costs. In the future, in case there is shortage of poly-silicon wafer supply, their internally produced raw materials may enable them to realize a higher margin in comparison with other SPV cell manufacturers. In addition, the entire solar power industry faces competition from conventional and non-solar renewable energy technologies. Due to the relatively high manufacturing costs compared to most other energy sources, solar energy is generally not competitive without government subsidies and economic incentives.

Many of our existing and potential competitors may have substantially greater financial, technical, manufacturing and other resources than we do. Some of our competitors may also be vertically integrated, from upstream poly-silicon manufacturing to solar system integration. Our competitors' greater size in some cases provides them with a competitive advantage with respect to manufacturing costs due to their economies of scale and their ability to purchase raw materials at lower prices. Such competitors may have stronger bargaining power with the supplier and have an advantage over us in pricing as well as obtaining poly-silicon wafer supplies at times of shortage. Many of our competitors may have more established distribution networks, larger customer bases or well-established relationships with their customers. As a result, they may be able to devote greater resources to the research, development, promotion and sale of their products or respond more quickly to evolving industry standards and changes in market conditions than we can. It is possible that new competitors or alliances among existing competitors could emerge and rapidly acquire significant market share, which could adversely affect our business.

We may also face competition from other large Indian and international companies, with whom we might not be able to compete successfully. In addition, our competitors may foresee the course of market development more accurately than we do, develop new products that are superior to ours, or adapt more quickly than we do to new technologies or evolving regulatory, industry or customer requirements. As a result we might not be able to compete effectively with them. If we fail to compete successfully, our business would suffer and we may lose or be unable to gain market share.

19. We have recently undergone a restructuring exercise and there may be certain aspects having a bearing on our business and operations with which we may not be familiar.

We have recently undergone a restructuring exercise pursuant to which the Transferor Company was amalgamated into our Company. The High Court of Delhi by its order dated September 16, 2009 approved the scheme of amalgamation of the Transferor Company with our Company with effect from the appointed date i.e., January 1, 2009. Pursuant to the said restructuring exercise, all assets and liabilities of the Transferor Company were transferred to us on a going concern basis with effect from the Appointed Date. Further, all contracts, deeds, agreements, bonds, etc. to which Transferor Company was a party, stood transferred in favour of our Company. For details in relation to the restructuring exercise, see the section titled "History and Certain Corporate Matters" on page 90. There can be no assurance that we have familiarised ourselves with all aspects of such restructuring exercise having a material bearing on our business and operations**.**

20. Our promoters have been engaged in varied line of business in the recent past.

Our Promoters have in the past promoted a venture in the name of "Phoenix Lamps India Limited in 1991 (name later changed to "Phoenix Lamps Limited" and presently known as "Halonix Limited") and exited Halonix Limited by selling their entire stake to Argon India Limited, a private equity fund. Halonix Limited is engaged *inter alia* in the business of manufacture of halogen automotive lamps, compact fluorescent lamps and other general lighting lamps. Further, our Promoters, who were also the promoters of Erstwhile Indosolar Limited, were engaged in the business of hospitality industry through Phoenix Tri-Continental Hotels Limited (name later changed to the Erstwhile Indosolar Limited). Our Promoters ventured into the business of project consultancy and ultimately to the business of manufacture of SPV cells by altering the objects clause of the Erstwhile Indosolar Limited. Since the alteration of the object clause of the Erstwhile Indosolar Limited, with an intention to venture into the business of manufacture of SPV cells, the Promoters have been actively indulging in strengthening their business of manufacturing SPV cells. However, there can be no assurance that they may not engage in any new line of business. In the event our Promoters engage in any new line of business, they may not be able to devote adequate attention to the management of our Company, which may adversely affect our business.

21. We depend on the acceptance of our SPV cells in the market for solar power products.

The market acceptance of our SPV cells may be affected by:

- our inability to produce our SPV cells at competitive and lower prices currently prevalent in the market;
- a more rapid decline in prices for competing SPV cells than is currently anticipated;
- the lower energy Conversion Efficiency and power of our SPV cells compared to some competing SPV cells;
- the size, appearance and quality of our SPV cells; and
- the acceptance of our SPV cells for incorporation into other applications by module manufacturers and system integrators over which we have no control.

While we believe that our SPV cells are commercially viable, there can be no assurance that significant market demand for our SPV cells will ever develop, in isolation to those developed and produced by our competitors. The failure of our SPV cells to achieve market acceptance, price advantage or both could materially adversely affect our business, results of operations and financial condition.

22. We face risks associated with the marketing, distribution and sale of our SPV cells globally, and if we are unable to effectively manage these risks, they could impair our ability to expand our business globally.

We expect that global sales will represent a significant portion of our product sales. The marketing, distribution and sale of our SPV cells in the global markets expose us to a number of risks, including:

- fluctuations in currency exchange rates;
- increased costs associated with maintaining marketing efforts in various countries;
- difficulty and costs relating to compliance with the different commercial and legal requirements of the overseas markets in which we offer our products;
- difficulty in engaging and retaining sales personnel who are knowledgeable about, and can function effectively in, overseas markets;
- trade barriers such as export requirements, tariffs, taxes and other restrictions and expenses, which could increase the prices of our products and make us less competitive in some countries; and
- demand for solar products in overseas markets.

The occurrence of any of the above events could materially adversely affect our business, results of operations and financial condition.

23. We currently have only one type of product and are involved in only one aspect of the SPV industry value chain, and our success depends on the success of this single type of product.

We currently manufacture only SPV cells using the poly-silicon wafer technology with efficiency ranging between 15.4% and 16.6%. We currently do not intend to foray into the other related aspects in the generation of solar energy through SPV cells, such as extraction of silicon, wafering, module making, system integration, installation and distribution of SPV cells. In contrast to some of our competitors which have become vertically integrated from upstream poly-silicon manufacturing to solar system integration, we do not have, and will not in the foreseeable future establish any poly-silicon or wafer manufacturing facilities. Thus, our success depends entirely upon our ability to manufacture and sell SPV cells on a profitable basis. Our lack of product diversification may make the results of our operations riskier and more volatile than they would be if we manufactured more than one type of product or were involved in the other aspects in the generation of solar energy through SPV cells. Unlike certain entities that have the resources to operate in multiple industries or multiple segments of a single industry, we do not have the resources to diversify our operations or benefit from the possible spreading of risks or offsetting of losses.

24. Purchase of solar power products tends to decrease during the winter season which would complicate the installation of solar power systems and adversely affect our business and result of operations.

Purchase of solar power products tends to decrease during the winter season because of adverse weather conditions in certain regions, which complicates the installation of solar power systems. Snowfalls and ice storms are common phenomena in some of the European regions. To install solar panels in such region, the installer must make certain that the roof is capable of supporting the weight of panels and the snow that will get accumulated. If the roof is already full of snow, installation of solar power equipments on roof-top becomes a cumbersome process requiring the snow to be brushed off the roof. Further, the panels should be installed at such angels to allow snow to slide down and not get accumulated on the panels. In particular, the demand for solar power products decreases during the winter season in Europe and other countries that provide subsidies and economic incentives for on-grid solar energy applications. Even solar farm installation work is disrupted for the same reason. The decrease in demand and purchase of solar power products in the winter season could significantly disrupt our business and though not quantifiable, affect our financial condition and results of operations.

25. Rapid technological changes may render our technologies, products or services obsolete and make our plants less competitive.

The market for SPV cells is characterized by rapidly changing technology. A key factor to our continued success is our ability to keep pace such rapid technological developments in. While we believe we make use of the latest technology, our future success will largely depend on our ability to keep pace with advancing SPV technology. There is no assurance that we will be able to foresee such changes accurately or complete development of new products and/or technologies in time. Further, there is no assurance that we will be able to incur the required capital expenditure.

In addition to our technology, we believe that there are a variety of competing technologies under active development by other companies. Any of these competing technologies could achieve manufacturing costs less than the manufacturing costs expected to be achieved by the SPV cells being developed by us. Our development efforts could be rendered obsolete by technological advancement of others. Moreover, other materials could prove more advantageous for the commercialization of solar power products. We believe that to remain competitive in the future, we will need to invest continued efforts and financial resources in research and development.

Our failure to develop and introduce new or improved SPV cells in a timely fashion could materially adversely affect our business, results of operations and financial condition. Further, new products and technologies may not be developed and/or deployed according to expected schedules or may not achieve commercial acceptance or be cost effective. Failure to achieve commercial acceptance of products offered by us could result in a reduction in profitability. Any such change may materially and adversely affect our business, financial condition and results of operations. Advancement in technology may require us to make additional capital expenditure to upgrade our manufacturing facilities. If we are not able to adequately respond to such technological advancement in time, it may adversely affect our business.

26. We are exposed to certain operating risks; Unpredictable events could interrupt or impair our ability to manufacture SPV cells.

We are exposed to certain operating risks, such as extended disruption to our power supply or processes, performance below expected levels of output or efficiency, extreme weather conditions, technology obsolescence, labour disputes, lock-outs, strikes, continued availability of services of our external contractors, and the need to comply with the directives of relevant government authorities. The occurrence of any of these risks could significantly affect our operating results.

We may encounter problems in our manufacturing facilities as a result of, among other things, production failures, human errors, equipment malfunction or process contamination, which could seriously adversely affect our operations. In addition, our manufacturing operations could be disrupted by unpredictable events such as adverse weather conditions, fire and natural catastrophes such as earthquakes, floods and droughts. Any problem in our facilities could interrupt or impair our ability to manufacture products and consequently, may limit our margins and results of operations.

27. If our manufacturing equipment fails, we may not be able to continue production of SPV cells. We may experience difficulty in achieving acceptable yields and product performance.

Our technology provider, Schmid, has provided us with a replacement, repair and maintenance warranty for plant and machinery installed for a period of 12 months from the date of the FAT or a maximum of 7,000 operating hours per year, whichever is earlier. However, if our equipment fails at a subsequent date, we might not be able to continue production of SPV cells or may incur substantial cost for such replacement, repair and maintenance services. Moreover, if any of the components incorporated into our equipment are ceased to be made, we might encounter difficulty in repairing or replacing our equipment if it were to become damaged or stop working. Any failure of our manufacturing equipment could materially adversely affect our business, results of operations and financial condition.

Further, the technology for the manufacture of SPV cells is highly complex and is continually being modified in an effort to improve yields and product performance. The quality of the raw materials used, microscopic impurities such as dust and other contaminants, difficulties in the manufacturing process, or malfunctions of the equipment or facilities used can lower yields, cause quality control problems, interrupt production or result in losses of products in process. Any disruption in our manufacturing process that forces us to shut down and restart our production causes a drop-off in production quality during the first two or three weeks after we resume production, which in turn reduces our yield as more of our output falls below our quality control standards during that period.

28. Problems with product quality or product performance may result in a decrease in customers and revenues, cause us to incur unexpected expenses, and may damage our market reputation and prevent us from achieving increased sales and market share.

Products as complex as SPV cells may contain errors or defects. Although we will strive to assure our customers that our SPV cells have no errors and defects, there can be no assurance that despite testing and other quality control procedures, defects and errors will not be found in our SPV cells after shipment. Our SPV cells may contain defects that are not detected until after they are sold or are installed. We may receive from time to time in the future, complaints from certain customers that portions of our SPV cells have quality deficiencies. If we deliver SPV cells that do not satisfy our customers' or end users' quality requirements, or if there is a perception that our products are of poor quality, our credibility and the market acceptance and sales of our SPV cells could be affected. We may also incur substantial expenses to compensate the customers.

Due to the limited available usage history of our products, there can be no assurance that our assumptions regarding the durability and reliability of our products are reasonable. Our warranty provisions may be considered to be inadequate, and we may have to incur substantial expense to repair or replace defective products in the future. Any increase in the defect rate of our products would cause us to increase the amount of our warranty reserves and have a correspondingly negative impact on our operating results. Any claims by our customers, even if not meritorious, could result in costly litigation or divert management's attention and resources. Furthermore, widespread product failures may damage our market reputation, reduce our market share and cause our sales to decline.

29. Certain activities and processes in the manufacture of SPV cells can be dangerous and can cause injury to people and property under certain circumstances. This may result in disruptions in our business and may adversely affect our business, financial condition and results of operations.

Certain activities and processes used in the manufacture of SPV cells can be dangerous. Exposure to certain chemicals or products can cause injury to people and property under certain circumstances. For instance, *silane gas*, an integral component of our manufacturing process, is a highly flammable gas which may cause irritation to the eyes, skin and mucous membranes. Hydrolysis of silane gas inside body tissues may produce *silicic acid*, which due to its characteristic of spontaneously combusting in air, may cause a fire and explosion hazard. Similarly, exposure to *ammonia*, another chemical used by us during the manufacture of SPV cells, may cause severe burns to the eyes, lungs and skin and result in respiratory diseases.

Further, if the flammable or toxic material used in our manufacturing process leaks it may lead to a fire. Similar leakage or spillage of other substances used in our manufacturing process, including, hydro fluoric acid, nitric acid, ortho phosphoric acid, hydro chloric acid, potassium hydroxide solution, hydrogen-peroxid may cause health hazards by affecting the manufacturing site or the surrounding populated area.

If any of the above mentioned situations occur, they may cause injury to people and property and could cause us to suffer significant disruptions in business or result in legal and regulatory actions which could adversely affect our business, financial condition and results of operations.

30. Our insurance coverage for our manufacturing facilities may not adequately protect us against certain operating hazards and this may have an adverse effect on our business.

While our manufacturing facilities are insured for certain risks including work accidents, fire, lighting, earthquake, flood and other *force majeure* events, acts of terrorism and explosions /implosion, air craft damage, riots, strike and miscellaneous damage, storm, cyclone, typhoon, tempest, hurricane, tornado, theft and burglary, these insurance policies do not cover all risks and are subject to exclusions and deductibles. For instance, if any or all of our production facilities are damaged in whole or in part and our operations are interrupted for a sustained period, we may not be adequately insured to cover the losses that may be incurred as a result of such interruption. There can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time. To the extent that we suffer a large uninsured loss or any insured loss suffered by us significantly exceeds our insurance coverage, our business, financial condition and results of operations may be materially and adversely affected. For further details, see the section titled “Our Business – Insurance” on page 74.

31. We require certain approvals or licenses in the ordinary course of business, and the failure to obtain and retain them in a timely manner or at all may adversely affect our operations.

We have made applications to various authorities which are currently pending. For instance, we have applied to the Ministry of Corporate Affairs, GoI for grant of its approval to make remuneration and other payments to our whole-time Directors beyond the prescribed thresholds for a loss making company. We cannot assure you that we will be able to obtain approvals in respect of such applications or any application made by us in the future, in a timely manner or at all. For further details, see the section titled “Government and Other Approvals” on page 148.

We require certain approvals, licenses, registrations and permissions under various regulations, guidelines, circulars and statutes and from certain regulatory and government authorities, for operating our business. Certain of such approvals may be subject to numerous conditions. In particular, we are required to maintain positive ‘net foreign exchange’ earnings, on account of our manufacturing facility at Greater Noida being granted the status as an ‘Export Oriented Unit’ under the Foreign Trade Policy 2009-2014 of the GoI. If we fail to maintain such registrations, approvals or licenses, or renewals thereof, in a timely manner or at all, or to comply with applicable conditions or a regulator claims that we have not complied with such conditions, our business may be adversely affected.

32. Compliance with environmental regulations can be expensive, and non-compliance with these regulations may result in adverse publicity and potentially significant monetary damages and fines.

As our manufacturing processes generate noise, waste water, gases and other industrial wastes, we are required to comply with all national and local regulations regarding protection of the environment. If more stringent regulations are adopted in the future, the costs of compliance with such new regulations could be substantial. We believe that we have all of the permits necessary to conduct our business as it is presently conducted. If we fail to comply with present or future environmental regulations, we may be required to pay substantial fines, suspend production or cease operations. We use, generate and discharge toxic, volatile and otherwise hazardous chemicals and wastes in our manufacturing activities. Any failure by us to control the use of, or to restrict adequately the discharge of, hazardous substances could subject us to potentially significant monetary damages and fines or suspensions in our business operations.

33. Our Company does not own the trademark “Indosolar” and the corporate logo “iNDOSOLAR” and may be unable to adequately protect our intellectual property.

Our Company has applied for registration over the trademark "Indosolar" and the corporate logo "INDOSOLAR" under the provisions of the Trademarks Act, 1999. Our Company does not enjoy the statutory protections accorded to a registered trademark. There can be no assurance that our Company will be able to register the trademark and the logo or that third parties will not infringe its intellectual property, causing damage to its business prospects, reputation and goodwill. The efforts of our Company to protect its intellectual property may not be adequate and may lead to erosion of our business value and our operations could be adversely affected. Our Company may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time consuming and costly and the outcome cannot be guaranteed. Our Company may not be able to detect any unauthorised use or take appropriate and timely steps to enforce or protect its intellectual property. Our Company has filed a caveat with the Registrar of Trademarks, Trademarks Registry, New Delhi in relation to advertising of the trademark "INDOSOLAR" by a third party. For further details in relation to applications made for registration of the trademarks mentioned above and legal proceedings initiated by our Company for protection of its intellectual property rights, see the sections titled "Government and Other Approvals" and "Outstanding Litigation and Material Developments" on pages 148 and 145, respectively.

34. We do not own our Registered Office and other premises from which we operate. Title over some of our other immovable properties may have irregularities.

Our Registered Office has been obtained on lease from Ms. Priya Desh Gupta, a member of our Promoter Group pursuant to lease deed dated September 17, 2009, and which was renewed by agreement dated June 21, 2010 for a period of 11 months commencing from August 16, 2010, for a monthly lease rental of Rs. 0.35 Lakh. Except for our manufacturing facility and our Corporate Office which are on long term lease, we operate from rented and leased premises. We may in the future enter into further such arrangements with third parties. Any adverse impact on the title, ownership rights and/or development rights of the owners from whose premises we operate, or breach of the contractual terms of such leave and license agreements including delay in payment of annual rent, usage of the property other than for the purpose for which it was allotted, or transfer or assignment of land without prior consent of the lessor, may impede our operations. In the event such leases or licenses are not renewed, our operations could be adversely impacted.

35. Our Promoters and members of our Promoter Group will continue to exercise significant control and influence on our Company and our business.

As on the date of filing of this Red Herring Prospectus, our Promoters and members of our Promoter Group own approximately 97.55% of our paid-up share capital and after completion of the Issue will continue to hold significant shareholding in our Company. Our Promoters have, and will continue to have, considerable influence over our business and may take actions that do not reflect the will or best interests of the other shareholders, or our best interests.

So long as our Promoters and Promoter Group own a majority of the Equity Shares, they will be able to elect the entire Board and remove any Director, by way of a resolution approved by a simple majority of shareholders in a general meeting. Our Promoters and Promoter Group will be able to control most matters affecting us, including the appointment and removal of officers, business strategy and policies, any determinations with respect to mergers, business combinations and acquisitions or dispositions of assets, dividend payout and capital structure and financing. Further, the extent of Promoters and Promoter Group shareholding may result in delay or prevention of a change of management or control of our Company, even if such a transaction may be beneficial to the other shareholders.

36. Brand Equity Treaties Limited ("BETL") holds 14,00,000 Equity Shares representing 0.66% of the total paid up pre-Issue share capital of our Company. We also have an agreement with BETL for advertising of our products, services and brands, which may lead to conflict of interest.

BETL holds 14,00,000 Equity Shares representing 0.65% of the total paid up pre-Issue share capital of our Company. We have also entered into an advertising agreement dated March 30, 2010 with BETL, whereby for a consideration of Rs. 504.00 Lakh, BETL will advertise our Company's products, services and brands, on a non-exclusive basis, in: (i) non print media, as specified in the said advertising agreement; and (ii) all newspapers, published and/ or distributed by Bennett Coleman & Co. Limited

("**BCCL**") which is an affiliate of BETL, in any language within the territory of India, for one year starting from April 1, 2010 and ending on March 31, 2011. Although the editorial functions of the publications of BETL or BCCL may be considered to be independent, however, due to the above arrangements with BETL, there is a possibility of conflict of their interests in so far as any advertisement, publicity, editorial, news item or article appearing in their publications is concerned.

37. We have entered into a share subscription agreement with BETL which grants certain special rights to BETL.

BETL has executed a share subscription agreement ("**SSA**") with our Company and our Promoters (collectively referred to as the "**Parties**"), pursuant to which, the Company has allotted 14,00,000 Equity Shares ("**Subscription Shares**") to BETL. The SSA grants certain rights in favour of BETL, including a put-option right, a tag-along right and the right of first refusal. In addition, BETL has the right to obtain information from our Company such as our Company's financial statements within the time specified in the SSA, details of shareholding structure of our Company and such other information or documents regarding the performance of our Company as permitted under law. Further, the SSA also provides that our Company shall not be merged or restructured in any way, without the prior written consent of BETL. All provisions of the SSA shall terminate upon the listing of the Subscription Shares on any recognized stock exchange in India. However, in the event the SSA is terminated on account of breach of the SSA by our Company, the SSA provides that BETL's right with respect to the put option on our Promoters and the tag along right on our Promoters shall survive the termination of the SSA.

38. Certain Equity Shares held by our Promoters are pledged to lenders or are subject to non-disposal undertakings, pursuant to financial covenants contained in our loan agreements. If we default on our obligations, lenders may exercise its rights under the facility agreements.

Certain Equity Shares held by our Promoters, Mr. Bhushan Kumar Gupta and Mr. Hulas Rahul Gupta, are currently pledged in favour of Union Bank of India under the terms of a share pledge agreement and a loan facility agreement both dated January 16, 2009. For further details, see the section titled "Capital Structure" on page 19. As per the share pledge agreement and the ancillary documents pursuant thereto, Union Bank of India has certain rights including the right to pledge further Equity Shares in its name in case the value of the pledged shares is insufficient, to the extent of 51% of share capital of our Company. Further, in the event our Company defaults in relation to any of the covenants in the facility agreement, Union Bank of India may exercise such rights conferred on it, including the right to recall the loan amounts sanctioned. If this happens, we may not be able to conduct our business as planned.

39. Our Directors, Mr. Bhushan Kumar Gupta and Mr. Hulas Rahul Gupta and Promoter Group have interests in our Company other than reimbursement of expenses incurred or normal remuneration or benefits.

Our Registered Office has been obtained on lease from Ms. Priya Desh Gupta, a member of our Promoter Group pursuant to lease deed dated September 17, 2009, and which was renewed by agreement dated June 21, 2010 for a period of 11 months commencing from August 16, 2010, for a monthly lease rental of Rs. 0.35 Lakh. Mr. Bhushan Kumar Gupta and Mr. Hulas Rahul Gupta, our Promoters/Directors, are related to Ms. Priya Desh Gupta as husband and son, respectively. Further, Delton Cables Limited, a Promoter Group company, has received payments in past from our Company for supply of cables and may receive further payments for the cables which may be supplied by it for use in the Line 3 as part of our capacity expansion plans.

40. We have entered into related party transactions which may potentially involve conflicts of interests and impose certain liabilities on our companies.

We have entered into certain transactions with related parties, including the Transferor Company, prior to approval of the Scheme. Furthermore, it is likely that we will enter into related party transactions in the future. Such transactions or any future transactions with related parties may potentially involve conflicts of interest and impose certain liabilities on our Company. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on our financial condition and results of operations. For detailed information on our related party transactions, see Annexure XII to our restated financial statements forming part of the section titled "Financial Statements" on page F-34.

41. We have, during the preceding one year from the date of filing of this Red Herring Prospectus, issued Equity Shares at variable prices, which may be lower than the Issue Price.

The Issue Price will be determined by us in consultation with the Book Running Lead Manager on the Pricing Date. We have issued Equity Shares in 12 months preceding the date of filing of this Red Herring Prospectus at variable prices that may be lower than the Issue Price. Provided below are brief details in this regard:

Date of allotment	Name of allottee	Number of Equity Shares	Price (Rs.)	Consideration	Reasons for allotment
September 25, 2009	Mr. Bhushan Kumar Gupta	5,50,00,001	10	Other than Cash	Allotment of Equity Shares pursuant to the Scheme
	Mr. Hulas Rahul Gupta	7,48,85,494			
	Greenlite Lighting Corporation	7,01,14,500			
	Ms. Priya Desh Gupta	1			
	Ms. Abha Gupta	1			
	Mr. Anand Kumar Agarwal	1			
	Mr. Gurbaksh Singh Vohra	1			
	Mr. Atul Kumar Mittal	1			
January 7, 2010	Mr. Bhushan Kumar Gupta	15,00,000	10	Cash	Preferential allotment
	Mr. Hulas Rahul Gupta	55,00,000	10		
March 31, 2010	Brand Equity Treaties Limited	14,00,000	36		
June 1, 2010	Schmid Singapore Pte. Ltd.	36,40,579	40		

For further details, see the section titled "Capital Structure" on page 19.

42. Our ability to pay dividends in the future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditures.

The declaration, payment and amount of any future dividends of our Company is subject to the discretion of the Directors, and will depend upon, among other factors, on our future earnings, financial condition, cash flows, working capital requirements and capital expenditures. There can be no assurance as to whether our Company will pay a dividend in the future and if so the level of such future dividends. For more information on our dividend policy, see the section titled "Dividend Policy" on page 116.

43. The requirements of being a public listed company may strain our resources and distract management.

We have no experience as a public listed company or with the increased scrutiny of its affairs by shareholders, regulators and the public at large that is associated with being a public company. As a public listed company, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur as an unlisted company. We will also be subject to the provisions of the listing agreements signed with the Stock Exchanges which require us to file unaudited financial results on a quarterly basis. In order to meet our financial control and disclosure obligations, significant resources and management supervision will be required. As a result, our management's attention may be diverted from other business concerns, which could have an adverse effect on our business and operations. There can be no assurance that we will be able to satisfy our reporting obligations and/or readily determine and report any changes to our results of operations in as timely a manner as other listed companies. In addition, we may need to increase the strength of our management team and hire additional legal and accounting staff with appropriate experience in a public listed company and accounting knowledge and we cannot assure you that we will be able to do so in a timely manner.

44. There may be less information available about our Company in the Indian securities markets than in other international securities markets.

There is a difference between the level of regulation, disclosure and monitoring of the Indian securities markets and the activities of investors, brokers and other participants and that of other international securities markets. The SEBI is responsible for ensuring and improving disclosure and other regulatory standards for the Indian securities markets. The SEBI has issued regulations on disclosure requirements, insider trading and other matters. There may, however, be less publicly available information about Indian companies than is regularly made available by public companies in other international markets. As a result, on an ongoing basis shareholders may have access to less information about our business, results of operations and financial condition than those of our competitors that are listed on the Stock Exchanges but which are also subject to the reporting requirements of other international markets.

Risks in relation to the Net Proceeds

45. We intend to use the Net Proceeds towards capital expenditure in business which has not contributed substantially to our revenues in the last three Fiscals and cannot assure returns pursuant to such investments

In consonance with our business strategy, we intend to expand our aggregate annual manufacturing capacity for SPV cells by 100 MW, as part of our manufacturing capacity expansion plans and intend to utilize Rs. 33,742.80 Lakh towards the same out of the Net Proceeds. This business has not contributed substantially to our revenues in the last three Fiscals. For further details, see the sections titled "Objects of the Issue" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 32 and 117, respectively.

46. The funding requirements of our Company and the deployment of Net Proceeds have not been independently appraised by any bank or financial institution.

The funding requirements of our Company and the deployment of Net Proceeds have not been appraised by any bank, financial institution or other independent organisation. The estimated costs towards expansion of our manufacturing facilities are also dependent on a number of external factors which may not be in the control of our management, such as variations in prevalent market rates of equipments, availability of such equipments, transportation cost and exchange rate fluctuations. We cannot assure you that the actual costs incurred or time taken for implementation of these plans will not vary from our estimated parameters. In view of the highly competitive nature of the industry in which we operate, we may have to revise our management estimates from time to time and consequently our funding requirements may also change. This may result in the rescheduling of our fund deployment programmes and an increase or decrease in our proposed expenditure for a particular object and our results of operations may be adversely impacted.

47. We have not entered into any definitive agreements to utilise the Net Proceeds and have not yet placed any orders for the capital expenditure to be incurred towards purchase of plant and machinery.

We intend to use the Net Proceeds for funding expenditure towards expansion of our manufacturing facilities including costs towards purchase of plant and machinery. For further details, see the section titled "Objects of the Issue" on page 32. Our estimates are based on quotations received and we have not entered into any definitive agreements for the same and there can be no assurance that the estimates shall not vary prior to deployment of the Net Proceeds. Thus, our actual procurement cost may vary from the ones indicated in this Red Herring Prospectus. Any failure to enter into arrangements at favourable terms and conditions, as expected and assumed by us, in a timely manner or at all, may have an adverse affect on our business and our financial results may suffer.

48. The deployment of the Net Proceeds is at our discretion and is not subject to any monitoring by any independent agency.

Since the size of this Issue is less than Rs. 50,000 Lakh, we are not required to appoint a monitoring agency under the SEBI Regulations. Hence, deployment of Net Proceeds will be at our discretion and is not subject to any monitoring by any independent agency. We cannot assure you that we will be able to monitor the deployment of the Net Proceeds in the manner similar to that of a monitoring agency. For further details in relation to the reporting requirements for utilization of the Net Proceeds, see the section titled "Objects of the Issue" on page 32.

49. A portion of the Net Proceeds are intended to be utilized towards making payments to a member of our Promoter Group, Delton Cables Limited

We intend to utilize a portion of the Net Proceeds to make payments to a member of our Promoter Group, Delton Cables Limited for the cables that may be supplied by it for use in the Line 3 as part of our capacity expansion plans. For further details in this regard, see the section titled "Objects of the Issue" on page 32.

EXTERNAL RISK FACTORS

Risks related to the Solar Power Industry

50. The recent worldwide economic recession has adversely affected, and may continue to adversely affect, the solar power industry, our business and our results of operations.

Economic developments outside India have adversely affected the economy, our industry and our business. Since the second half of 2007, the global credit markets have experienced, and may continue to experience, significant volatility which have originated from the adverse developments in the United States and the European Union credit and sub-prime residential mortgage markets. These and other related events, such as the recent collapse of a number of financial institutions, have had and continue to have a significant adverse impact on the availability of credit and the confidence of the financial markets, globally as well as in India.

Our business is affected by domestic and international economic conditions, including rates of economic growth and the impact that such economic conditions have on consumer spending as the demand for solar power products is influenced by macroeconomic factors, such as the supply and price of other energy products, as well as government regulations and policies concerning the solar power industry. For example, recent economic recession in several key solar power markets resulted in slower investments in new installation projects that make use of solar power products. The recent downturn in global economies has led to an increased level of consumer delinquencies, lack of consumer confidence, decreased market valuations and liquidity, increased market volatility and a widespread reduction of business activity generally. The cost of solar power systems and modules is high and requires easy availability of low-cost credit for the end-consumers. The resulting economic pressure and dampened consumer sentiment has adversely affected the solar power industry and consequently, our business and our results of operations. The risks associated with availability of credit for the end-consumers are more acute during periods of economic slowdown or recession because such periods are accompanied by decreased appetite for credit risk and low levels of liquidity.

In addition, market volatility has been unprecedented in recent months, and the resulting economic turmoil may continue to exacerbate industry conditions or have other unforeseen consequences, leading to uncertainty about future conditions in our industry. There can be no assurances that government responses to the disruptions in the financial markets will restore consumer confidence, stabilize the markets or increase liquidity and the availability of credit. Furthermore, a decrease in the price of other energy products, such as oil, coal and natural gas, may reduce the urgency of the market to invest in alternative energy. Continuation or worsening of this downturn or general economic conditions may have an adverse effect on our business, liquidity and results of operations.

51. Volatile solar power market, seasonal and other fluctuations and industry trends, in particular, the decline in demand for solar products may cause the average selling price of our products to decline, and reduce our revenues and profitability.

The market for solar power products has been erratic and uncertain. The success of our business depends in part on the assumption of continuing market growth. The failure of the market for solar power to continue to grow could materially adversely affect our business, results of operations and financial condition.

We are affected by solar power market and industry trends. In the fourth quarter of 2008 and the first three quarters of 2009, the global solar power industry experienced a precipitous decline in demand. During the same period, the global supply of solar products exceeded the global demand due to the global economic downturn. Such oversupply of solar products contributed to the decline in the average selling price of SPV cells. If demand for solar products declines and there is oversupply of solar products, the average selling price of our products will be materially and adversely affected, which may reduce our revenues and profitability.

Further, the demand for solar power products is affected by seasonal factors and is subject to other fluctuations that may affect our cash flows and business operations. In particular, the demand for solar power products decreases during the winter season in Europe and other countries that provide subsidies and economic incentives for on-grid solar energy applications. At the same time, the demand for solar power products increases prior to the decline in feed-in tariff rates, which typically decline over time according to a predetermined schedule. Specifically, German subsidies decline at a rate of 5.0% to 6.5% per year for systems installed after 2006 based on year to year installation programs. During periods of curtailed activity due to adverse weather conditions or demand patterns, we may continue to incur operating expenses but our sales may be delayed or reduced. Such fluctuations may adversely affect our cash flows and business operations. For further details, see the section titled "Industry Overview" on page 46.

52. If the solar power technology is not suitable for widespread adoption, or if sufficient demand for solar power products does not develop or takes longer to develop than we anticipate, our revenues may not continue to increase or may even decline, and we may be unable to achieve or sustain our profitability.

The solar power market is at a relatively early stage of development, and the extent of acceptance of solar power products is uncertain. Historical and current market data on the solar power industry are not as readily available as those for other more established industries where trends can be assessed more reliably from data gathered over a longer period of time. In addition, demand for solar power products may not develop or may develop to a lesser extent than we anticipate. Many factors may affect the viability of widespread adoption of solar power technology and demand for solar power products, including:

- cost-effectiveness, performance and reliability of solar power products compared to conventional and other renewable energy sources and products;
- success of other alternative and cheaper energy generation technologies, such as wind power, hydroelectric power and biomass;
- fluctuations in economic and market conditions that affect the viability of conventional and other renewable energy sources, such as increases or decreases in the prices of oil and other fossil fuels or decreases in capital expenditures by end users of solar power products; and
- deregulation of the electric power industry and the broader energy industry.

If solar power technology is not viable for widespread adoption or sufficient demand for solar power products does not develop or develops to a lesser extent than we anticipate, our revenues may suffer and we may be unable to sustain our profitability.

53. Increases in interest rates may adversely impact our results of operations.

We are exposed to interest rate risk and do not currently enter into any swap or interest rate hedging transactions in connection with our loan agreements. We may enter into interest hedging contracts or other financial arrangements in the future to minimize our exposure to interest rate fluctuations. We cannot assure you, however, that we will be able to do so on commercially reasonable terms or any of such agreements we enter into will protect us fully against our interest rate risk. Any increase in interest expense due to factors beyond our control, such as governmental, monetary and tax policies and domestic and international economic and political conditions, may have an adverse effect on our business prospects, financial condition and results of operations.

54. We face risks associated with currency exchange rate fluctuations, which we may not be able to manage effectively.

We have adopted the Indian Rupee as our reporting currency. Further, a majority of the capital expenditure to be incurred towards purchase of plant and machinery out of the Net Proceeds is expected to be in foreign currency. Conducting business in currencies other than the Indian Rupee subjects us to fluctuations in currency exchange rates that could have a negative effect on our reported operating results. Since we intend to conduct and expand most of our business overseas, it will increase our exposure to the risk of currency fluctuations in foreign jurisdictions. To the extent these currencies depreciate against the Indian Rupee, it would decrease our income reported in the Indian Rupee. The exchange rate between the Indian Rupee and the other foreign currencies such as the Euro and U.S. Dollar has changed substantially in recent years and may continue to fluctuate significantly in the future. While the status of our manufacturing facility as an EOU provides us a natural hedge against fluctuations in the value of the Indian Rupee relative to other currencies and consequent impact on our income, cost of sales and services and operating margins, however, this may not eliminate our exposure to foreign exchange rate fluctuations and involves costs and risks of its own, such as ongoing management time and expertise, external costs to implement the strategy and potential accounting implications.

55. The occurrence of natural or man-made disasters could adversely affect our results of operations and financial condition.

The occurrence of natural disasters, including hurricanes, floods, earthquakes, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations or financial condition, including in the following respects:

- Catastrophic loss of life due to natural or man-made disasters could cause us to pay benefits at higher levels and/or materially earlier than anticipated and could lead to unexpected changes in persistency rates.
- A natural or man-made disaster could result in losses in our projects, or the failure of our counterparties to perform, or cause significant volatility in global financial markets.
- Pandemic disease, caused by a virus such as H5N1, the "avian flu" virus, or H1N1, the "swine flu" virus, could have a severe adverse effect on our business. The potential impact of such a pandemic on our results of operations and financial position is highly speculative, and would depend on numerous factors, including: the probability of the virus mutating to a form that can be passed from human to human; the rate of contagion if and when that occurs; the regions of the world most affected; the effectiveness of treatment of the infected population; the rates of mortality and morbidity among various segments of the insured versus the uninsured population; our insurance coverage and related exclusions; the possible macroeconomic effects of a pandemic on our asset portfolio; the effect on lapses and surrenders of existing policies, as well as sales of new policies; and many other variables.

56. We cannot guarantee the accuracy or completeness of facts and other statistics with respect to India, the Indian economy and the solar power industry contained in this Red Herring Prospectus.

Facts and other statistics in this Red Herring Prospectus relating to India, the Indian economy and the solar power industry have been derived from various industry publications that we believe to be reliable. However, we cannot guarantee the quality or reliability of such source of materials. While our Directors have taken reasonable care in the reproduction of the information, they have not been prepared or independently verified by us or any of our affiliates or advisers and, therefore, we make no representation as to the accuracy of such facts and statistics, which may not be consistent with other information compiled within or outside India. These facts and other statistics include the facts and statistics included in the section titled "Industry Overview" on pages 46. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced elsewhere and should not be unduly relied upon. Further, there is no assurance that they are sated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere.

Risks in relation to the Issue and Investment in the Equity Shares

57. Allottees will not be able to sell any of the Equity Shares immediately on the Stock Exchanges.

Under the SEBI Regulations, we are permitted to allot Equity Shares within 9 Working Days of the Bid Closing Date. Consequently, the Equity Shares allotted may not be credited to the demat accounts of Allottees with Depository Participants until approximately 10 Working Days after the Bid Closing Date. Allottees can start trading in the Equity Shares only after they have been credited to their demat account and final listing and trading approvals are received from the Stock Exchanges. Further, there can be no assurance that the Equity Shares allotted will be credited to their demat account, or that trading in the Equity Shares will commence, within the specified time periods.

58. There is no existing market for the Equity Shares and we do not know if one will develop. Our stock price may be highly volatile after this Issue and, as a result, you could lose a significant portion or all of your investment

Prior to this Issue, there has not been a public market for the Equity Shares. We cannot predict the extent to which investor interest will lead to the development of an active trading market on the Stock Exchanges or how liquid that market will become. If an active market does not develop, you may experience difficulty selling the Equity Shares that you purchased. The Issue Price is not indicative of prices that will prevail in the open market following this Issue. Consequently, you may not be able to sell your Equity Shares at prices equal to or greater than the price you paid in this Issue. The market price of the Equity Shares on the Stock Exchanges may fluctuate after listing as a result of several factors, including the following:

- volatility in the Indian and other global securities markets;
- the performance of the Indian and global economy;
- significant developments in India's fiscal regime;
- risks relating to our business and industry, including those discussed in this prospectus;
- strategic actions by us or our competitors;
- investor perception of the investment opportunity associated with the Equity Shares and our future performance;
- adverse media reports about us, our shareholders or Promoters;
- future sales of the Equity Shares;
- variations in our quarterly results of operations;
- differences between our actual financial and operating results and those expected by investors and analysts;
- changes in analysts' recommendations or perceptions of us; and
- our future expansion plans.

There has been significant volatility in the Indian stock markets in the past and our share price could fluctuate significantly as a result of market volatility. A decrease in the market price of the Equity Shares could cause you to lose some or all of your investment.

59. Additional issuances of Equity Shares may dilute the positions of investors and any future sale of Equity Shares by our Promoters may adversely affect the market price of the Equity Shares.

Any future issuance of Equity Shares may dilute the positions of investors as it could adversely affect the market price of the Equity Shares. Additionally, sales of a large number of Equity Shares by our Promoters or by any other future principal shareholder could adversely affect the market price of Equity Shares. There can be no assurance that any such dilution of Promoter's or principal shareholder's holding would not adversely affect the market price of the Equity Shares. In addition, any perception by investors that such issuances or sales might occur could also affect the trading price of the Equity Shares.

60. Volatile conditions in the Indian securities market may affect the price or liquidity of the Equity Shares.

The Indian securities markets are smaller and can be more volatile than securities markets in more developed economies. The Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities and the price of the Equity Shares may also be volatile once they are listed. Indian stock exchanges have also experienced problems that have affected the market price and liquidity of the securities of Indian companies. These problems have included temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time imposed restrictions on trading in certain securities, limitations on price movements and margin requirements. Further, from time to time, disputes have occurred between listed companies, stock exchanges and other regulatory bodies, which in some cases may have had a negative effect on market sentiment. Similar problems could happen in the future and, if they do, they could affect the market price and liquidity of the Equity Shares.

61. There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.

We will be subject to a daily "circuit breaker" imposed by the Stock Exchanges, which does not allow transactions beyond certain volatility in the price of the Equity Shares. This circuit breaker operates independently of the index based market-wide circuit breakers generally imposed by SEBI on the Stock Exchanges. The percentage limit on our circuit breaker is set by the Stock Exchanges based on the historical volatility in the price and trading volume of the Equity Shares. The Stock Exchanges do not inform us of the percentage limit of the circuit breaker from time to time, and may change it without our knowledge. This circuit breaker effectively limits the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, there can be no assurance regarding the ability of shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares.

Risks relating to India and Indian Economy

62. Significant differences exist between Indian GAAP and other accounting principles such as US GAAP and IFRS, which may be material to investors' assessment of our financial condition. Our failure to successfully adopt IFRS effective April 2011 could have a material adverse effect on our business and results of operations.

Our financial statements are prepared in accordance with Indian GAAP which differs in certain respects from IFRS. As a result, our financial statements and reported earnings could be different from those which would be reported under IFRS. Such differences may be material. We have not attempted to quantify the impact of IFRS on the financial data included in this Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of IFRS. Accordingly, the degree to which the Indian GAAP financial statements included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Because differences exist between Indian GAAP and IFRS, the financial information in respect of our Company contained in this Red Herring Prospectus may not be an effective means to compare us with other companies that prepare their financial information in accordance with IFRS. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited. In making an investment decision, investors must rely upon their own examination of our Company, the terms of the Issue and the financial information relating to our Company. Potential investors should consult their own professional advisers for an understanding of these differences between Indian GAAP and IFRS, and how such differences might affect the financial information contained herein.

The Institute of Chartered Accountants of India, the accounting body that regulates the accounting firms in India, has announced a road map for the adoption of, and convergence with, IFRS, pursuant to which all public companies in India, including ours, will be required to prepare their annual and interim financial statements under IFRS with the fiscal period commencing April 1, 2011. Because there is significant lack of clarity on the adoption of and convergence with IFRS we have not determined with any degree of certainty the impact that such adoption will have on our financial reporting. There can be no assurance that our financial condition, results of operations, cash flows or changes in shareholder's equity will not appear materially worse under IFRS than under Indian GAAP. As we transition to IFRS reporting, we may encounter difficulties in the ongoing process of implementing and enhancing our management information systems and internal controls. Moreover, there is increasing competition for the small number of IFRS-experienced accounting personnel available as more Indian companies begin to prepare IFRS financial statements. There can be no assurance that our adoption of IFRS and any failure to successfully adopt IFRS by April 2011 will not adversely affect our reported results of operations or financial condition.

63. Political instability or a change in economic liberalization and deregulation policies could seriously affect business and economic conditions in India generally and our business in particular.

The GoI has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. The GoI has in recent years sought to implement economic reforms and the current government has implemented policies and undertaken initiatives that continue the economic liberalization policies pursued by previous governments. There can be no assurance that liberalization policies will continue in the future. The rate of economic liberalization could change, and specific laws and policies affecting the foreign investment and other matters affecting investment in our securities could change as well. A change in the GoI may result in significant change in the government policies in the future. Any significant change in such liberalization and deregulation policies could adversely affect business and economic conditions in India, generally, and could adversely affect our business, prospects, financial condition and results of operations, in particular.

64. Terrorist attacks and other acts of violence or war involving India and other countries could adversely affect the financial markets, result in a loss of business confidence and adversely affect our business, prospects, financial condition and results of operations.

There has recently been an increase in the frequency and scale of terrorism in India and globally. On November 26, 2008, terrorists attacked two hotels, a railway station, restaurant, hospital, and other locations in Mumbai causing casualties. In July 2006, a series of seven explosions were launched by extremists on commuter trains and stations in India. Terrorism is inherently unpredictable and difficult to protect against. Moreover, even the threat or perception of terrorism can have devastating economic consequences. Many of our insurance policies specifically exclude recovery for damage that results from terrorism. Any damage to any of our business as a result of actual or perceived terrorist activities could reduce our revenues and/or increase our costs, which would adversely affect our business, results of operations and financial condition.

65. The extent and reliability of Indian infrastructure, to the extent insufficient, could adversely impact our results of operations and financial condition.

India's physical infrastructure is less developed than that of many developed nations. Any congestion or disruption with its port, rail and road networks, electricity grid, communication systems or any other public facility could disrupt our normal business activity. Any deterioration of India's physical infrastructure would affect the national economy, disrupt the transportation of goods and supplies, and add costs to doing business in India. These problems could interrupt our business operations, which could have adverse effect on our results of operations and financial condition.

66. Any downgrading of India's debt rating by an international rating agency could have a negative impact on our business.

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have a material adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures and the trading price of the Equity Shares.

67. Financial instability in Indian financial markets could adversely affect our results of operations and financial condition.

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in Asian emerging market countries. Financial turmoil in global economy in recent years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general.

68. Wage pressures in India may prevent us from sustaining our competitive advantage and may reduce our profit margins.

Wage costs in India have historically been significantly lower than wage costs in the United States, Europe and other developed economies for comparably skilled professionals, which has been one of India's competitive strengths. However, wage increases in India may prevent us from sustaining this competitive advantage and may negatively affect our profit margins. Wages in India are increasing at a faster rate than in the western countries, which could result in increased costs for software professionals, particularly project managers and other mid-level professionals. We may need to continue to increase the levels of our employee compensation to remain competitive and manage attrition. Compensation increases may result in an adverse effect on our business, financial condition and results of operations and could cause the price of the Equity Shares to decline.

69. Rights of shareholders under Indian law may be more limited than under the laws of other jurisdictions.

Our Articles of Association, regulations of our directors and Indian law govern our corporate affairs. Legal principles related to these matters and the validity of corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as shareholder than as shareholder of a corporation in another jurisdiction.

70. Investors may have difficulty enforcing foreign judgments against our Company or its management.

Our Company is a limited liability company incorporated under the laws of India. All Directors and Key Managerial Personnel are residents of India and a substantial portion of our assets and such persons, are located in India. As a result, it may not be possible for investors to effect service of process upon our Company or such persons outside India, or to enforce judgments obtained against such parties outside India.

Recognition and enforcement of foreign judgments is provided for under Section 13 of the Code of Civil Procedure, 1908, of India (the "**Civil Code**") on a statutory basis. Section 13 of the Civil Code provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. Under the Civil Code, a court in India shall, upon the production of any document purporting to be a certified copy of a foreign judgment, presume that the judgment was pronounced by a court of competent jurisdiction, unless the contrary appears on record.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Section 44A of the Civil Code provides that where a foreign judgment has been rendered by a superior court, within the meaning of that Section, in any country or territory outside India which the GoI has by notification declared to be in a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the Civil Code is applicable only to monetary decrees not being of the same nature as amounts payable in respect of taxes, other charges of a like nature or of a fine or other penalties.

The United Kingdom has been declared by the GoI to be a reciprocating territory for the purposes of Section 44A but the United States has not been so declared. A judgment of a court of a country which is not a reciprocating territory may be enforced only by a suit upon the judgment and not by proceedings in execution. Such a suit has to be filed in India within three years from the date of the judgment in the same manner as any other suit filed to enforce a civil liability in India. Generally, there are considerable delays in the disposal of suits by Indian courts. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action was brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if that court were of the view that the amount of damages awarded was excessive or inconsistent with public policy. A party seeking to enforce a foreign judgment in India is required to obtain approval from RBI to execute such a judgment or to repatriate outside India any amount recovered. It is uncertain as to whether an Indian court would enforce foreign judgments that would contravene or violate Indian law.

Prominent Notes

- This is a public issue of [●] Equity Shares for cash at a price of Rs. [●] per Equity Share including a share premium of Rs. [●] per Equity Share, aggregating Rs. 35,700.00 Lakh. The Issue will constitute [●]% of the fully diluted post Issue paid-up capital of the company.

- The average cost of acquisition of Equity Shares by each of our Promoters is Rs. 10. The average cost of acquisition of Equity Shares by our Promoters has been calculated on the basis of the average of amounts paid by them to acquire the Equity Shares currently held by them. For details, see the section titled "Capital Structure" on page 19.

- Our net worth is Rs. 14,376.01 Lakh as on March 31, 2010 and as per our summary restated financial statements. For further details, see the section titled "Financial Information" on page F-1.

- The NAV/book value per Equity Share was Rs. 6.90 as on March 31, 2010, as per the restated audited financial statements of our Company, included in this Red Herring Prospectus. For further details, see the section titled "Financial Information" on page F-1.

- We do not have any Group Companies or subsidiaries.

- There has been no financing arrangement whereby our Promoter Group, Directors and their relatives have financed the purchase by any other person of securities of our Company during the period of six months immediately preceding the date of filing of this Red Herring Prospectus. For details of transactions in the securities of our Company by our Promoters, our Promoter Group and Directors in the last six months, see the section titled "Capital Structure — Notes to Capital Structure" on page 20.

- Our Company was incorporated under the Companies Act on April 8, 2005 as "Robin Garments Private Limited". Subsequently, the name was changed to "Robin Solar Private Limited" pursuant to a special resolution of our shareholders dated July 2, 2008 to reflect the present business of our Company i.e., the business of solar cells. The object clasue of our Company was amended by virtue of the shareholders resolution dated February 14, 2008 to reflect the new business of our Company. Consequent to the amalgamation of the Transferor Company with our Company in terms of the Scheme, the name of our Company was changed from "Robin Solar Private Limited" to "Indosolar Limited" as the Transferor Company (i.e., the erstwhile Indosolar Limited) was widely known and our Memorandum and Articles of Association were substituted by the memorandum and articles of association of the Transferor Company on September 25, 2009. For further details in this regard, see the section titled "History and Certain Corporate Matters" on page 90.

- Except as disclosed in the sections titled "Our Promoters and Promoter Group" and "Our Management" on pages 111 and 98, respectively, none of our Promoters, Directors or Key Managerial Personnel have any interest in our Company except to the extent of remuneration and reimbursement of expenses and to the extent of the Equity Shares held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as directors, members, partners or trustees and to the extent of the benefits arising out of such shareholding, if any, in our Company.

- Any clarification or information relating to this Issue shall be made available by the Book Running Lead Manager and our Company to the investors at large and no selective or additional information would be available for a section of investors in any manner whatsoever. The Book Running Lead Manager shall be obliged to provide any information or clarification relating to this Issue to any investor. Investors may contact any the Book Running Lead Manager for any complaints or comments pertaining to this Issue.

SECTION III – INTRODUCTION

SUMMARY OF INDUSTRY

*Unless otherwise mentioned, the information in this section has been obtained from publicly available sources, including the websites of the GoI and its various ministries viewed as on April 30, 2010. The industry sources cited herein include the following reports published by Solarbuzz LLC ("**Solarbuzz**"): (i) the "Marketbuzz 2010, (ii) the "Marketbuzz 2009; and (iii) "Solarbuzz Quarterly - Third Quarter 2009 Report". This data has not been prepared or independently verified by us or the Book Running Lead Manager or any of its respective affiliates or advisors. Such data involves risks, uncertainties and numerous assumptions and is subject to changes based on various factors, including those discussed in the section titled "Risk Factors". Accordingly, such information should not be relied upon for making investment decisions.*

Global scenario for solar power

Solar power world wide has become a popular resource for renewable energy. The increase in its popularity is reflected by the increase in total annual production of crystalline silicon cells and thin film PV cells to a consolidated level of 7.30 GW in 2009, five times the level in 2005. Demand from countries such as Spain, Germany, South Korea, Italy and United States was, to a great extent responsible for the spectacular growth. In 2009, there were ten markets delivering more than 100 MW of market demand, with Germany alone accounting for 53% of the world market.

In 1H 2009 the PV industry had to come to terms with the almost complete collapse of the Spanish market, a market that in 2008 had represented 40% of global demand. In 2H 2009, prices eventually reached a point where demand took off helped by an improving global economy and the return of "the bankers" to provide the critical financing. When the customers or investors returned, they did so almost as abruptly as they had departed the scene in fourth quarter 2008. By mid-2009, other factors had also started to come into play, especially worries about reduction in incentive tariffs in Germany under a new government. German demand started to soar, and was joined by markets such as Italy, the Czech Republic, Belgium, Japan, the USA, and China.

In 2009, the world PV market increased to 7.30 GW from 6.08 GW in 2008, growth of 20% over the year, compared to 115% growth in the previous year. Annual growth has now averaged a compound rate of 50% since 2005.

Notwithstanding the intensity in the credit market collapse by fourth quarter 2008, the PV industry chain raised between $13.5bn and $14.5bn in 2009, a new record for a single year.

Overview of power industry in India

The low per-capita consumption of electric power in India compared to the world average presents a significant potential for sustainable growth in the demand for electric power in India. According to the 17th Electric Power Survey, May 2007, India's peak demand is expected to grow at a CAGR of 7.6% over a period of 10 years (FY2007 to FY2017) and would require a generating capacity of 300,000 MW by 2017 to cater to this demand compared to an installed capacity of 132,329 MW as on March 31, 2007.

Overview of solar power industry in India

In 2008, India's solar PV market witnessed 20% growth to reach 36 MW in annual installations. Despite only modest growth from 2007, there are indications that this could indeed be a precursor for far stronger growth in the years to come, led by large ground mounted on-grid installations.

In 2008, the majority of India's solar market remained in the off-grid segments, led by widespread rural electrification programs, street lighting and remote banking/ATM projects, as well as industrial applications such as solar-powered telecom base stations, railway signaling and defence monitoring in border areas. Growth in the off-grid sector was not just witnessed in India's rural countryside, but also in urban areas, with increasing sales of solar stand-alone systems providing an alternative to diesel generators to back up the unstable and unreliable grid.

Jawaharlal Nehru National Solar Mission ("JNNSM")

The objective of the Solar Mission is to establish India as a global leader in solar energy, by creating the policy conditions for its diffusion across the country as quickly as possible. The Solar Mission will adopt a three phase approach, spanning the remaining period of the 11th Plan and first year of the 12th Plan (i.e., up to 2012-2013) as Phase 1, the remaining 4 years of the 12th Plan (i.e., 2013-2017) as Phase 2 and the 13th Plan (2017-2022) as Phase 3. At the end of each plan, and mid-term during the 12th and 13th Plans, there will be an evaluation of progress, review of capacity and targets for subsequent phases, based on emerging cost and technology trends, both domestic and global. The aim would be to protect Government from subsidy exposure in case expected cost reduction does not materialize or is more rapid than expected.

One of the strategies to achieve these targets will be to innovate, expand and disseminate manufacturing capabilities. Currently, the bulk of India's Solar PV industry is dependent on imports of critical raw materials and components – including silicon wafers. Transforming India into a solar energy hub would include a leadership role in low-cost, high quality solar manufacturing, including balance of system components. Proactive implementation of the "Special Incentive Package Scheme" of 2007 notified by the Government of India, to promote PV manufacturing plants, including domestic manufacture of silicon material, would be necessary. The Special Incentive Package Scheme provides for 25% of the eligible cost as capital subsidy. Ajay Shankar Committee was set up to recommend a policy framework under JNNSM to encourage domestic production of raw materials and components required for expanding the domestic industrial base. The committee has mandated that for Phase I of the JNNSM, all deployment in grid connected solar power be done using both cells and modules manufactured in India. The will further promote PV manufacturing plants in India.

CERC Policy for Solar Farms

On September 16, 2009, CERC came out with the Central Electricity Regulatory Commission (Terms and Conditions for Tariff Determination from Renewable Energy Sources) Regulations, 2009 (the "**CERC Tariff Regulations**").

The CERC Tariff Regulations lay down the normative parameters for determination of tariff for renewable energy sources. The key features of the CERC Tariff Regulations from solar PV perspective are:

- The tariff period for solar PV defined as 25 years;
- Normative debt-equity ratio of 70:30;
- Normative return on equity ("**RoE**"):
    - Pre-tax 19% p.a for first 10 years; and
    - Pre-tax 24% p.a 11th year onwards.

A 25 year firm ppa with attractive roe is expected to make the solar farm business in india lucrative to many players and give the industry the growth that the solar mission proposes to give. As per the template form for solar (pv), the leveled tariff at 1700 lacs. /mw for solar pv based on normative numbers laid in the regulation works out to rs. 18.44/ kwh.

SUMMARY OF BUSINESS

Overview

We manufacture poly-crystalline solar photo-voltaic ("**SPV**") cells from silicon wafers utilizing crystalline silicon SPV cell technology for converting sunlight directly into electricity through a process known as the "photo-voltaic effect". We market and sell our products to primarily module manufacturers on a business-to-business ("**B2B**") platform, who in turn supply to the system integrators who install the systems for grid and off-grid (roof top) applications for use in the domestic market as well as markets in Europe, Spain, Japan, Asia, Canada and USA.

Our ability to procure poly-silicon wafers at low cost and expand our customer base is critical to our business. Economies of scale, ability to enhance operational and SPV cell efficiency and pricing strategy are the other fundamental enablers in our business.

We commenced work for setting up of our SPV cell manufacturing facility in Greater Noida in January 2008. We have established two SPV cell manufacturing lines having an aggregate annual manufacturing capacity of 160 MW. We commenced commercial production of SPV cells in July 2009 with one manufacturing line having an annual manufacturing capacity of 80 MW. The second manufacturing line having an equal capacity commenced commercial production in March 2010. In order to prepare for an increase in demand for SPV products in the future and to enhance scale to a competitive level, we plan to increase our annual manufacturing capacity to approximately 260 MW by 2011, with one additional manufacturing line of annual manufacturing capacity of 100 MW.

We use a fully automated horizontal in-line, state-of-the-art technology for manufacture of SPV cells which offer high average efficiency levels of up to 16.15%. We have entered into arrangements with Schmid Technology Systems GmbH ("**Schmid**"), one of the operators in SPV cell manufacturing technology and a vertically integrated player in the SPV cell industry, for delivery, installation and commissioning of the plant and machinery at our facility, on a turnkey basis. As part of our manufacturing capacity expansion plans, we propose to install 'selective emitter' technology in one of our SPV manufacturing lines to be commissioned by our turnkey provider, Schmid. 'Selective emitter' technology will give capability to produce improved SPV cells of higher average efficiency up to 17.20%. Our research and development team comprising three solar photo-voltaic and semi conductor researchers and scientists focuses on continually enhancing our SPV cell Conversion Efficiencies and improving our manufacturing operations.

Our management believes that it is preferable to follow a flexible mix vis-à-vis long term and spot market for procurement of silicon wafers, in conjunction with market trends. We are currently negotiating silicon supply contracts with certain suppliers to meet our current manufacturing capacity of 160 MW and sufficient inventory levels in the future, with prices linked to those prevailing in the spot market. Other raw materials such as chemicals, silver and aluminium pastes are also procured from various suppliers at the prevailing market prices.

Our Company is one of the few companies selected by the Government of India for grant of financial incentives under the "Special Incentive Package Scheme" of 2007 notified by the Government of India. We have been granted an in-principle approval on June 1, 2009 by Ministry of Communication and Information Technology, Government of India and have applied for formal approval on March 31, 2010. Our manufacturing facility at Greater Noida has been granted the status as an 'Export Oriented Unit' under the Foreign Trade Policy 2009-2014 of the Government of India pursuant to which we enjoy certain benefits, including free importability and entitlement to avail of certain direct and indirect tax exemptions.

Strengthening of our brand name and expansion of our customer base are integral parts of our sales and marketing strategy. We have associated with the Semiconductor Equipment and Materials International, USA, Indian Semiconductor Association and Solar Energy Society of India **("SESI").** One of our Promoters, Mr. Hulas Rahul Gupta, is convenor of the industry wing of SESI.

Our Promoters, Mr. Bhushan Kumar Gupta and Mr. Hulas Rahul Gupta, have a combination of managerial acumen as well as domestic and international experience of approximately 30 and 20 years, respectively, in manufacturing, marketing and customer relations.

Since the commencement of commercial production until July 31, 2010, we had sold 43.74 MW of SPV cells for Rs. 24,299.03 Lakh and 0.52 MW of SPV modules for Rs. 529.15 Lakh. Our Orderbook is Rs. 1,01,190.02 Lakh as of July 31, 2010 with eleven customers from seven countries for delivery of 170.36 MW of SPV cells, based on conversion rate of 1€ = Rs. 60.53 and 1$ = Rs. 46.42 as on July 31, 2010. Out of the above mentioned Orderbook, orders for 30.58 MW resulting in an aggregate income of Rs. 17,075.82 Lakh have been executed by our Company until July 31, 2010. In Fiscal 2010, our total income was Rs. 13,147.85 Lakh. The total income from sale of SPV cells in Fiscal 2010 was Rs. 10,722.52 Lakh, constituting 81.55% of our total income.

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Source: www.oanda.com

Our Competitive Strengths

We believe our principal competitive strengths are as follows:

(a) *State-of-the-art technologies for manufacturing SPV cells obtained from Schmid*
(b) *Well positioned to receive tax breaks and special incentives from the Government of India*
(c) *Early mover advantage in the domestic SPV cell manufacturing space*
(d) *Committed and experienced promoters with demonstrable track record*
(e) *Research and development initiatives that leverage both third party collaborations and internal resources*

Our Business Strategy

(a) *Expand existing production capacities to achieve economies of scale*
(b) *Expand our customer base, diversify our sales effort and pursue a proactive marketing program*
(c) *To pursue opportunities and participate in solar power projects incentivised by the Governmental authorities in India and abroad*
(d) *Flexible approach for procurement of key raw materials at favourable prices*
(e) *Continue to reduce our per Watt manufacturing costs, increase the throughput of our production lines and enhance our SPV cell Conversion Efficiencies*
(f) *Implement stricter cash management and control measures*

For details in relation to risks faced by our Company in its business, see the section titled "Risk Factors" on page xi.

THE ISSUE

The following table summarizes the Issue details:

Public Issue aggregating Rs. 35,700.00 Lakh	[●] Equity Shares
Of which:	
QIB Portion(2)	At least [●] Equity Shares*
Net QIB Portion	At least [●] Equity Shares
Of which:	
Mutual Fund Portion	[●] Equity Shares*
Balance for all QIBs including Mutual Funds	[●] Equity Shares*
Non-Institutional Portion(1)	Not less than [●] Equity Shares*
Retail Portion(1)	Not less than [●] Equity Shares*
Pre and post-Issue Equity Shares	
Equity Shares outstanding prior to the Issue	[●] Equity Shares
Equity Shares outstanding after the Issue	[●] Equity Shares
Use of proceeds of this Issue	For details, see the section titled "Objects of the Issue" on page 32.

* *In the event of over-subscription, allocation in all categories, except the Anchor Investor Portion, if any, shall be made on a proportionate basis, subject to valid Bids being received at or above the Issue Price.*

(1) Under-subscription, if any, in the Non-Institutional Portion and the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories, at the sole discretion of our Company, in consultation with Book Running Lead Manager.

(2) The Company may consider participation by Anchor Investors for up to [•] Equity Shares in accordance with applicable SEBI Regulations.

The Allotment to QIB Bidders is proportionate as per the terms of this Red Herring Prospectus. If at least 50% of the Issue cannot be Allotted to QIB Bidders, then the entire application money will be refunded forthwith. 5% of the QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining QIB Portion. Further, attention of all QIBs is specifically drawn to the following: (a) QIB Bidders will not be allowed to withdraw their Bid cum Application Forms after 3.00 p.m. on the Bid Closing Date. In the event of under-subscription in the Mutual Fund Portion only, the unsubscribed portion would be added to the balance of the QIB Portion to be allocated on a proportionate basis.

SUMMARY FINANCIAL INFORMATION

The following tables set forth the summary financial information derived from the restated financial statements of our Company for Fiscals 2006, 2007, 2008 and 2009 and 2010, each prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI Regulations as described in the Auditors' report included in the section titled "Financial Statements" on page F-1.

The summary financial information of our Company presented below should be read in conjunction with the respective financial statements and the notes (including accounting polices) thereto included in sections titled "Financial Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages F-1 and 117, respectively.

Statement of Assets and Liabilities, as restated

(Amounts in Lakh Rupees)

	Particulars	As at 31 March 2006	As at 31 March 2007	As at 31 March 2008	As at 31 March 2009	As at 31 March 2010
A	**Fixed Assets**					
	(i) Gross block	253.48	253.48	253.48	7,051.38	67,275.10
	Less : Accumulated depreciation	1.01	3.83	6.64	79.36	1,987.35
	Net block	252.47	249.65	246.84	6,972.02	65,287.75
	(ii) Capital work in progress/advances	-	-	286.50	36,275.85	1,006.12
	Net Block	**252.47**	**249.65**	**533.34**	**43,247.87**	**66,293.87**
B	**Investments**	**-**	**-**	**-**	**-**	**-**
C	**Current assets, Loans and**					
	Advances					
	(i) Inventories	-	-	-	294.72	7,733.83
	(ii) Sundry debtors	-	-	-	-	2,310.51
	(iii) Cash and bank balances	-	0.04	16.55	3,071.05	2,410.97
	(iv) Loans and advances	-	-	-	734.27	1,371.48
		-	0.04	16.55	4,100.04	13,826.79
	(A+B+C)	**252.47**	**249.69**	**549.89**	**47,347.91**	**80,120.66**
D	**Liabilities and Provisions**					
	(i) Secured loans	-	-	-	24,483.19	53,673.49
	(ii) Unsecured loans	143.16	196.40	-	-	700.00
	(iii) Current liabilities and provisions	129.15	95.44	620.42	5,393.30	11,371.16
		272.31	291.84	620.42	29,876.49	65,744.65
	Net Worth (A+B+C-D)	**(19.84)**	**(42.15)**	**(70.53)**	**17,471.42**	**14,376.01**
E	**Represented by**					
	(i) Equity share capital	1.00	1.00	1.00	1.00	20,840.00
	(ii) Equity shares to be issued pursuant to the scheme of amalgamation	-	-	-	18,924.00	-
	(iii) Reserves and surplus					
	- Securities premium	-	-	-	-	364.00
	- Profit and Loss Account	(20.84)	(43.15)	(71.53)	(1,453.58)	(8,074.88)
	(iv) Share application money pending allotment	-	-	-	-	1,516.50
	(v) Miscellaneous expenditure	-	-	-	-	(269.61)
	(to the extent not written off)					
	Net Worth (i+ii+iii+iv+v)	**(19.84)**	**(42.15)**	**(70.53)**	**17,471.42**	**14,376.01**

Note:

1. To be read in conjunction with Significant accounting policies (Annexure IV) and Notes to Statement of Assets and Liabilities, as restated and

2. There are no revaluation reserves outstanding as at 31 March 2006, 31 March 2007, 31 March 2008, 31 March 2009 and 31 March 2010 that would require adjustment to the financial information, as restated. Also refer to Note 3(2)(b) of Annexure V.

Statement of Profit and Loss, as restated

(Amounts in Lakh Rupees)

Particulars	8 April 2005 to 31 March 2006	Year ended 31 March 2007	Year ended 31 March 2008	Year ended 31 March 2009	Year ended 31 March 2010
Income					
Gross sales	-	-	-	-	11,277.35
Less: Excise duty	-	-	-	-	25.68
Net Sales	-	-	-	-	11,251.67
Other income	-	-	-	73.96	1,896.18
Total (A)	**-**	**-**	**-**	**73.96**	**13,147.85**
Expenditure					
(Increase)/decrease in stock	-	-	-	-	(2,967.40)
Manufacturing expenses	-	-	-	-	16,145.65
Personnel costs	-	-	-	476.93	849.76
Selling, administrative and other expenses	5.88	6.52	16.00	353.67	1,144.05
Finance and related charges	13.80	12.97	9.56	9.92	2,722.77
Depreciation and amortisation	1.01	2.82	2.82	48.40	1,873.09
Preliminary expenses	0.15	-	-	-	-
Total (B)	**20.84**	**22.31**	**28.38**	**888.92**	**19,767.92**
Net profit/(loss) before tax (A-B)	**(20.84)**	**(22.31)**	**(28.38)**	**(814.96)**	**(6,620.07)**
Provision for tax					
- current tax	-	-	-	-	-
- fringe benefit tax	-	-	-	11.88	-
- wealth tax	-	-	-	0.17	1.23
Net profit/(loss) after tax	**(20.84)**	**(22.31)**	**(28.38)**	**(827.01)**	**(6,621.30)**
Profit/(Loss) brought forward from previous year	-	(20.84)	(43.15)	(71.53)	(1,453.58)
Loss carried forward on amalgamation (Refer note 4 below)	-	-	-	(555.04)	-
Profit/(Loss) carried forward to Balance Sheet	**(20.84)**	**(43.15)**	**(71.53)**	**(1,453.58)**	**(8,074.88)**

Notes:

1. To be read in conjunction with Significant accounting policies (Annexure IV) and Notes to summary Statement of Assets and Liabilities, as restated and summary Statement of Profits and Losses, as restated (Annexure V) and Annexure VI to Annexure XII in respect of other financial information .

2. There are no extraordinary items, which need to be disclosed separately in the restated financial statements.

3. The Company was incorporated on 8 April 2005 accordingly, there were no opening reserves as on 1 April 2005.

4. Refer Note 3(2)(a)(iv)(b) of Annexure V

GENERAL INFORMATION

Our Company was incorporated under the Companies Act on April 8, 2005 as "Robin Garments Private Limited". Subsequently, the name was changed to "Robin Solar Private Limited" pursuant to a special resolution of our shareholders dated July 2, 2008. A fresh certificate of incorporation consequent to such change of name was granted to our Company by the RoC on July 21, 2008. Consequent upon amalgamation of the Transferor Company with our Company pursuant to the Scheme, the name of our Company was changed to "Indosolar Limited" and the status was changed to a public limited company. A fresh certificate of incorporation consequent to such change in status was granted to our Company by the RoC on October 12, 2009. Further, the name of our Company was changed to "Indosolar Limited" and a fresh certificate of incorporation consequent to such change was granted to our Company by the RoC on October 30, 2009.

Registered Office

C-12, Friends Colony (East),
New Delhi 110 065, India.
Telephone: +91 11 2684 1375
Facsimile: +91 11 2684 3949
Website: www.indosolar.co.in

For details regarding changes in our Registered Office, see the section titled "History and Certain Corporate Matters" on page 90.

Corporate Office

3C/1, Ecotech – II,
Udyog Vihar,
District Gautam Budh Nagar,
Greater Noida 201 306,
Uttar Pradesh, India.
Telephone: +91 120 4762 500
Facsimile: +91 120 4762 533

Registration Number: 134879

Corporate Identity Number: U18101DL2005PLC134879

Address of the RoC

The Registrar of Companies, NCT at New Delhi,
4th Floor, IFCI Tower,
61, Nehru Place,
New Delhi 110 019, India.

Board of Directors

Our Board comprises the following:

Name and Designation	Age (years)	DIN	Address
Mr. Bhushan Kumar Gupta Executive Chairman	74	00168071	C-12, Friends Colony (East), New Delhi 110 065, India
Mr. Hulas Rahul Gupta Managing Director	51	00297722	C-12, Friends Colony (East), New Delhi 110 065, India
Mr. Anand Kumar Agarwal Executive Director and Chief Financial Officer	61	00155299	38, R P S Flats, Sheikh Sarai Phase-I, New Delhi 110 017, India
Mr. Ravinder Khanna Independent Non Executive Director	51	01005216	A-804, Central Park, Sector-42, Gurgaon122 002, Haryana, India
Mr. Aditya Jain Independent Non Executive Director	50	00835144	F-63, Radhe Mohan Drive, Gadaipur Bandh Road, Chatarpur, Mehruali,

Name and Designation	Age (years)	DIN	Address
			New Delhi 110 074, India
Mr. Gautam Singh Kuthari Independent Non Executive Director	51	00945195	Bargola Building, Fancy Bazar, Guwahati 781 001, Assam, India

For profiles and further details of our Directors, see the section titled "Our Management" on page 98.

Company Secretary and Compliance Officer

Our Company Secretary and Compliance Officer is Mr. Atul Kumar Mittal. His contact details are as follows:

3C/1, Ecotech – II,
Udyog Vihar,
District Gautam Budh Nagar,
Greater Noida 201 306,
Uttar Pradesh, India.
Telephone: + 91 120 4762 500
Facsimile: + 91 120 4762 525
Email: atul.mittal@indosolar.co.in

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of Allotment, credit of Allotted Equity Shares in the respective beneficiary account or refund orders.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSBs, giving full details such as name, address of the applicant, number of Equity Shares applied for, Bid Amount blocked, ASBA Account number and the Designated Branch of the SCSBs where the ASBA Form was submitted by the ASBA Bidders.

Book Running Lead Manager

Enam Securities Private Limited
801/802, Dalamal Towers,
Nariman Point,
Mumbai 400 021, India.
Telephone: +91 22 6638 1800
Facsimile: +91 22 2284 6824
Email: indosolaripo@enam.com
Website: www.enam.com
Investor Grievance ID: complaints@enam.com
Contact Person: Mr. Akash Aggarwal
SEBI registration number: INM000006856

For all Issue related queries and for redressal of complaints, investors may also write to the Book Running Lead Manager. All complaints, queries or comments received by SEBI shall be forwarded to the Book Running Lead Manager, who shall respond to the same.

Legal Counsel to the Issue

Luthra and Luthra Law Offices
103, Ashoka Estate,
24, Barakhamba Road,
New Delhi 110 001, India.
Telephone: +91 11 4121 5100
Facsimile: +91 11 2372 3909
Email: delhi@luthra.com

Registrar to the Issue

Link Intime India Private Limited
C-13, Pannalal Silk Millls Compound,
L.B.S. Marg, Bhandup (West),
Mumbai 400 078, India.
Telephone: + 91 22 2596 0320
Facsimile: + 91 22 2596 0329
Email: indosolar.ipo@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Mr. Pravin Kasare
SEBI registration number: INR000004058

Bankers to the Issue/ Escrow Collection Banks

HDFC Bank Limited FIG – OPS Department, HDFC Bank Ltd., Lodha – I Think Techno Campus, O-3 Level, Kanjurmarg (East), Mumbai 400 042, India. Telephone: + 91 22 3075 2928 Facsimile: + 91 22 2579 9801 Email: Deepak.rane@hdfcbank.com Website: www.hdfcbank.com Contact Person: Mr. Deepak Rane SEBI registration number: INB100000063	**The Royal Bank of Scotland N.V.** Brady House, 14 Veer Nariman Road, Hornimon Circle, Fort, Mumbai 400 023, India. Telephone: + 91 22 6658 5858 Facsimile: + 91 22 2204 2673 Email: dhanesh.bachawat@rbs.com/ manish.Bhatia@rbs.com Website: www.rbs.in Contact Person: Mr. Dhanesh Bachawat/ Mr. Manish Bhatia SEBI registration number: INB100000968
Standard Chartered Bank 270 D.N. Road, Fort, Mumbai 400 001, India. Telephone: + 91 22 2268 3955 Facsimile: + 91 22 2209 6067 Email: Joseph.George@sc.com Website: www.standardchartered.co.in Contact Person: Mr. Joseph George SEBI registration number: INB100000885	**Union Bank of India** M-11, Middle Circle, Connaught Place, New Delhi 110 001 Telephone: + 91 2341 7401 Facsimile: + 91 11 2341 7408 Email: Deepak@unionbankofindia.com Website: www.unionbankofindia.com Contact Person: Mr. Deepak Saxena SEBI registration number: INB100000006
ICICI Bank Limited 30, Mumbai Samachar Marg, Fort, Mumbai 400 001, India. Telephone: + 91 22 6631 0312 Facsimile: + 91 22 6631 0350 Email: viral.bharani@icicibank.com Website: www.icicibank.com Contact Person: Mr. Viral Bharani SEBI registration number: INB100000004	**The Hongkong and Shanghai Banking Corporation Limited** Shiv Building, Plot No. 130-140 (B), Western Express Highway, Sahar Road Junction, Ville Parle (E), Mumbai 400 057, India. Telephone: + 91 22 4035 7657 Facsimile: + 91 22 6746 5624 Email: mustafasanchawalla@hsbc.co.in Website: www.hsbc.co.in Contact Person: Mr. Mustafa Sanchawalla SEBI registration number: INB100000027
IDBI Bank Limited Unit No.-2, Corporate Park Near Swastik Chambers Sion-Trombay Road, Chembur Mumbai 400 071, India. Telephone: + 91 22 66908402/66588264 Facsimile: + 91 22 66908424 Email: mn.kamat@idbi.co.in Website: www.idbi.co.in Contact Person: Mr. M. N. Kamat, General	

Manager SEBI registration number: INBI00000076	

Self Certified Syndicate Banks

The list of banks who have been notified by SEBI to act as SCSBs are provided at http://www.sebi.gov.in or at such other website as may be prescribed by SEBI from time to time. For details on designated branches of SCSBs collecting the ASBA Form, see the above mentioned SEBI link.

Refund Banker

HDFC Bank Limited
FIG – OPS Department, HDFC Bank Ltd.,
Lodha – I Think Techno Campus,
O-3 Level, Kanjurmarg (East),
Mumbai 400 042, India.
Telephone: + 91 22 3075 2928
Facsimile: + 91 22 2579 9801
Email: Deepak.rane@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Mr. Deepak Rane
SEBI registration number: INB100000063

Auditor to our Company

M/s. B S R and Associates, Chartered Accountants
Building No.10, 8th Floor, Tower-B,
DLF, Cyber City, Phase-II,
Gurgaon 122 002, India.
Telephone: +91 124 307 4000
Facsimile: +91 124 254 9101
Email: vadvani @kpmg.com
Contact Person: Mr. Vikram Advani
Firm Registration No: 128901W

Bankers to our Company

Corporation Bank Industrial Finance Branch, 1ST Floor, 16/10, Main Arya Samaj Road, Karol Bagh, New Delhi 110 005, India Telephone: +91 11 2875 7455/ 2875 7639 Facsimile: +91 11 2875 0956 Email: cb447@corpbank.co.in Contact Person: Mr. V. S.Karthikeyan Website: www.corpbank.com	**Indian Bank** G-41, Connaught Circus, New Delhi 110 001, India Telephone: +91 11 2371 2162/ 2371 2164 Facsimile: +91 11 2371 8418 Email: ibnewdelhimain@vsnl.net Contact Person: Mr. G. Rangarajan Website: www.indianbank.in
Union Bank of India Industrial Finance Branch, M-11, 1ST Floor, Middle Circle Connaught Circus, New Delhi 110 001, India Telephone: +91 11 2341 7401 - 07 Facsimile: +91 11 2341 7405 Email: ifbcp@unionbankofindia.com Contact Person: Mr. Pankaj Sharma Website: www.unionbankofindia.com	**Bank of Baroda** Ground Floor, Bank of Baroda Building, 16,Sansad Marg, New Delhi 110 001, India Telephone: +91 11 2331 0349 Facsimile: +91 11 2371 1267 Email: indel@bankofbaroda.com Contact Person: Mr. R.K.Arora Website: www.bankofbaroda.com
Andhra Bank M-35, Connaught Place,	

New Delhi 110 001, India Telephone: +91 11 2341 5616 Facsimile: +91 11 2341 6043 Email: bmdel084@andhrabank.co.in Contact Person: Mr. C.Bala Subramanyam Website: www.andhrabank.in	

Statement of Responsibility of the Book Running Lead Manager

Enam Securities Private Limited shall be responsible for the following activities to the Issue:

1 Capital structuring with the relative components and formalities such as type of instruments, etc.

2 Due diligence of our Company's operations/ management/ business plans/ legal, etc. Drafting and designing of the offer document and of statutory advertisements including memorandum containing salient features of the Prospectus. The Book Running Lead Manager shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges and SEBI including finalisation of the Prospectus and filing with the Registrar of Companies and Stock Exchanges.

3 Drafting and approving of all publicity material other than statutory advertisements as mentioned above including corporate advertisement and brochure.

4 Appointing other Intermediaries:
- Printers;
- Registrar;
- Advertising Agency; and
- Bankers to the Issue.

(A) International institutional marketing strategy, preparation of road show marketing presentation, FAQs and co-ordination for all road show logistics.

(B) Finalising the list and division of investors for one on one meetings, institutional allocation.

(C) Retail/Non-institutional marketing strategy which will cover, *inter alia,*
- Finalising media, marketing and public relation strategy,
- Finalising centres for holding conferences for brokers, etc.,
- Finalising collection centres,
- Following up on distribution of publicity and Issue material including application forms, Prospectus and deciding on the quantum of the Issue material,
- Domestic institutions/banks/mutual funds marketing strategy, and
- Finalising the list and division of investors for one on one meetings, institutional allocation.

(D) Managing the book, coordinating with Stock Exchanges, pricing and allocation to the QIB Bidders.

(E) Post bidding activities including managing of Escrow Accounts, coordinating non-institutional allocation, intimating allocation and dispatching of refunds to the Bidders.

(F) The post issue activities of the Issue will involve essential follow up steps, which include finalising of trading and dealing instruments and dispatching of certificates and demat delivery of shares, with the various agencies connected with the work such as Registrars to the Issue, Bankers to the Issue and the bank handling the refunds business. The Book Running Lead Manager shall be responsible for ensuring that these agencies fulfil their functions and enable them to discharge this responsibility through suitable agreements with our Company.

Credit Rating

As this Issue involves issuance of equity shares, a credit rating for this Issue is not required.

Trustees

As this Issue involves issuance of equity shares, the appointment of trustees is not required.

IPO Grading Agency

CRISIL Limited
8th Floor, CRISIL House,
Central Avenue, Hirandani Business Park,
Powai, Mumbai 400 076, India.
Telephone: +91 22 3342 8025
Facsimile: +91 22 3342 808
Email: vdongre@crisil.com
Contact Person: Ms. Vinaya Dongre

IPO Grading

This Issue has been graded by CRISIL Limited and has been assigned the "IPO Grade 3/5" indicating average fundamentals through its letter dated July 11, 2010, valid for a period of 60 days from the date of issue of the letter. The IPO grading is assigned on a five point scale from 1 to 5 wherein an "IPO Grade 5" indicates strong fundamentals and "IPO Grade 1" indicates poor fundamentals.

A copy of the report provided by the IPO Grading Agency, furnishing the rationale for its grading has been annexed to this Red Herring Prospectus as Annexure A and will be made available for inspection at our Registered and Corporate Office from 10.00 am to 4.00 pm on Working Days from the date of this Red Herring Prospectus until the Bid Closing Date. For details of summary of rationale for the grading assigned by the IPO Grading Agency, see the section titled "Other Regulatory and Statutory Disclosures" on page 151.

Monitoring Agency

There is no requirement for a monitoring agency for this Issue as the Issue size is less than Rs. 50,000 Lakh.

Expert

Except for the report to be provided by the IPO Grading Agency, a copy of which report has been annexed to this Red Herring Prospectus as Annexure A, and report of our Auditors, M/s. B S R and Associates, Chartered Accountants dated June 7, 2010 in respect of the information in the section "Financial Information" and "Statement of Tax Benefits", our Company has not obtained any other expert opinions.

Project Appraisal

None of the objects of this Issue have been appraised.

Book Building Process

"Book building" refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus, the Bid cum Application Forms and the ASBA Forms. The Issue Price is determined by our Company, in consultation with the Book Running Lead Manager, after the Bid Closing Date. The principal parties involved in the Book Building Process are:

(1) our Company;
(2) the Book Running Lead Manager;
(3) Syndicate members who are intermediaries registered with SEBI or registered as brokers with any of the Stock Exchanges and eligible to act as underwriters. Syndicate members, if any, are appointed by the Book Running Lead Manager;
(4) Registrar to the Issue;
(5) Escrow Collection Banks; and
(6) SCSBs.

This Issue is being made through the 100% Book Building Process wherein at least 50% of the Issue shall be available for allocation on a proportionate basis to QIB Bidders, out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIB Bidders, including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. If at least 50% of the Issue cannot be Allotted to QIBs, then the entire application money will be refunded forthwith.

The Company may in consultation with the Book Running Lead Manager, allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Price in accordance with the SEBI Regulations. At least one-third of the Anchor Investor Portion shall be available for allocation to Mutual Funds only. Allocation to Anchor Investors shall be on a discretionary basis subject to minimum number of two Anchor Investors. An Anchor Investor shall make a minimum Bid of such number of Equity Shares that the Bid Amount is at least Rs. 1,000 Lakh.

In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs, subject to valid Bids being received from them at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIBs in proportion to their Bids.

In accordance with the SEBI Regulations, QIBs are not allowed to withdraw their Bids after the Bid Closing Date. Allocation to QIBs will be on a proportionate basis. For further details, see the section titled "Issue Procedure" on page 171.

Our Company will comply with the SEBI Regulations and any other ancillary directions issued by SEBI for this Issue. In this regard, our Company has appointed the Book Running Lead Manager to manage this Issue and procure subscriptions to this Issue.

The Book Building Process is subject to change. Investors are advised to make their own judgment about an investment through this process prior to submitting a Bid.

Illustration of Book Building Process and the Price Discovery Process

(Investors should note that the following is solely for the purpose of illustration and is not specific to this Issue and excludes information pertaining toBidding by Anchor Investors and Bidding under the ASBA process)

Bidders can bid at any price within the Price Band. For instance, assuming a price band of Rs. 20 to Rs. 24 per share, an issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the bidding centres during the bidding period. The illustrative book as shown below indicates the demand for the shares of the issuer company at various prices and is collated from bids from various investors.

Bid Quantity	Bid Price (Rs.)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of shares is the price at which the book cuts off, i.e., Rs. 22 in the above example. The Issuer, in consultation with Book Running Lead Manager, will finalise the issue price at or below such cut-off, i.e., at or below Rs. 22. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

Steps to be taken by the Bidders for making a Bid or application in this Issue:

- Check eligibility for making a Bid. For further details, see the section titled "Issue Procedure" on page 171;
- Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form or the ASBA Form, as the case may be;
- Ensure that the Bid cum Application Form or ASBA Form is duly completed as per the instructions given in this Red Herring Prospectus and in the respective forms; and
- Ensure that you have mentioned your PAN in the Bid cum Application Form or ASBA Form (see the section titled "Issue Procedure" on page 171).
- Ensure the correctness of your Demographic Details (as defined in the section titled "Issue Procedure – Bidder's PAN, Depository Account and Bank Account Details" on page 185), given in the Bid cum Application Form or ASBA Form, with the details recorded with your Depository Participant.
- Bids by ASBA Bidders will only have to be submitted to the SCSBs at the Designated Branches. ASBA Bidders should ensure that their bank accounts have adequate credit balance at the time of submission to the SCSB to ensure that their ASBA is not rejected.

Withdrawal of this Issue

Our Company, in consultation with Book Running Lead Manager, reserves the right not to proceed with this Issue at anytime after the Bid Opening Date, but before our Board meeting for Allotment, without assigning the reasons therefor. However, if our Company withdraws the Issue after the Bid Closing Date, we will give the reason thereof within two days of the Bid Closing Date by way of a public notice which shall be published within two days of the Bid Closing Date in the same newspapers where the pre-Issue advertisements were published. Further, the Stock Exchanges shall be informed promptly in this regard and the Book Running Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the Bank Accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. In the event of withdrawal of the Issue and subsequently, plans of an initial public issue by our Company, a draft red herring prospectus will be submitted again for observations of the SEBI.

Notwithstanding the foregoing, this Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and the final RoC approval of the Prospectus.

In terms of the SEBI Regulations, QIBs bidding in the Net QIB Portion shall not be allowed to withdraw their Bids after the Bid Closing Date.

Bid Program

Bidding Period

BID OPENING DATE*	**SEPTEMBER 13, 2010**
BID CLOSING DATE	**SEPTEMBER 15, 2010**

**Our Company may consider participation by Anchor Investors. The Bidding Period for Anchor Investors shall be one Working Day prior to the Bid Opening Date.*

Our Company, in consultation with the Book Running Lead Manager, may allocate up to 30% of the QIB Portion, i.e. [●] Equity Shares, to Anchor Investors on a discretionary basis in accordance with the SEBI Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid Opening Date and Bidding by Anchor Investors shall be completed on the same day. For further details, see the section titled "Issue Procedure" on page 171.

Except in relation to the Bids received from the Anchor Investors, Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 3.00 p.m.** (Indian Standard Time) during the Bidding Period as mentioned above at the Bidding Centres mentioned on the Bid cum Application Form or, in case of Bids submitted through ASBA, the Designated Branches of the SCSBs **except that on the Bid**

Closing Date, Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until (i) 4.00 p.m. in case of Bids by QIBs bidding in the Net QIB Portion, Non-Institutional Bidders where the Bid Amount is in excess of Rs. 1,00,000 and (ii) until 5.00 p.m. in case of Bids by Retail Individual Bidders, where the Bid Amount is up to Rs. 1,00,000, which may be extended up to such time as deemed fit by the Stock Exchanges after taking into account the total number of applications received up to the closure of timings and reported by Book Running Lead Manager to the Stock Exchanges within half an hour of such closure. Due to limitation of the time available for uploading the Bids on the Bid Closing Date, the Bidders, except Anchor Investors, are advised to submit their Bids one Working Day prior to the Bid Closing Date and, in any case, no later than 3.00 p.m. (Indian Standard Time) on the Bid Closing Date. Bidders other than Anchor Investors are cautioned that in the event a large number of Bids are received on the Bid Closing Date, as is typically experienced in public offerings in India, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation under this Issue. Bids will only be accepted on Working Days.

In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical Bid form, for a particular Bidder, the details as per physical application form of that Bidder may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical or electronic ASBA Form, for a particular ASBA Bidder, the Registrar to the Issue shall ask the relevant SCSB for rectified data.

On the Bid Closing Date, extension of time may be granted by the Stock Exchanges only for uploading the Bids received by Retail Individual Bidders after taking into account the total number of Bids received up to the closure of timings for acceptance of Bid cum Application Forms and ASBA Form as stated herein and reported by the Book Running Lead Manager to the Stock Exchange within half an hour of such closure.

Our Company, in consultation with the Book Running Lead Manager, reserve the right to revise the Price Band during the Bidding Period in accordance with the SEBI Regulations provided that the Cap Price should not be more than 120% of the Floor Price. Subject to compliance with the above mentioned condition, the Floor Price can move up or down to the extent of 20% of the Floor Price advertised at least two Working Days before the Bid Opening Date.

In case of revision in the Price Band, the Bidding Period will be extended for three additional Working Days after revision of Price Band subject to the Bidding Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bidding Period, if applicable, will be widely disseminated by notification to the SCSBs and the Stock Exchanges, by issuing a press release, and also by indicating the change on the website of the Book Running Lead Manager.

Underwriting Agreement

After the determination of the Issue Price, but prior to filing of the Prospectus with the RoC, our Company intends to enter into an Underwriting Agreement with the Underwriter for the Equity Shares proposed to be offered through this Issue, except such Equity Shares as are required to be compulsorily Allotted to QIBs under the QIB Portion. The underwriting arrangement shall not apply to the subscription by the ASBA Bidders in the Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the Underwriter shall be responsible for bringing in the amount devolved to fulfil its underwriting obligation. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriter are subject to certain conditions to closing, as specified therein.

The Underwriting Agreement is dated [●]. The Underwriter has indicated its intention to underwrite the following number of Equity Shares:

(This portion has been intentionally left blank and will be completed before filing of the Prospectus with the RoC.)

Details of the Underwriter	Indicated Number of Equity Shares to be Underwritten	Amount Underwritten (*Rs. Lakh*)
[●]	[●]	[●]
Total	[●]	[●]

The above-mentioned amount is indicative and will be finalised after determination of the Issue Price and finalization of the 'Basis of Allocation'.

In the opinion of our Board (based on a certificate given by the Underwriter), the resources of the Underwriter are sufficient to enable it to discharge its underwriting obligations in full. The Underwriter is registered with SEBI under Section 12(1) of the SEBI Act or registered as a broker with the Stock Exchanges. Our Board, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

The Underwriter shall be responsible for ensuring payment with respect to the Equity Shares allocated to investors procured by it. In the event of any default in payment, the Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure/subscribe for Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement.

In case of under-subscription in the Issue, the Book Running Lead Manager shall be responsible for invoking underwriting obligations and ensuring that the notice for devolvement containing the obligations of the Underwriter is issued in terms of the SEBI Regulations.

CAPITAL STRUCTURE

The share capital of our Company, as of the date of this Red Herring Prospectus, is set forth below:

(Rs. Lakh)

		Aggregate Value at nominal value	Aggregate Value at Issue Price
A)	**AUTHORISED SHARE CAPITAL**[(a)]		
	50,00,00,000 Equity Shares	50,000	
B)	**ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL BEFORE THE ISSUE**		
	21,20,40,579 Equity Shares^	21,204.06	
C)	**PRESENT ISSUE IN TERMS OF THIS RED HERRING PROSPECTUS** [(b)]		
	Public Issue of [●] Equity Shares aggregating Rs. 35,700.00 Lakh	[●]	[●]
	Which comprises:		
i)	QIB Portion of at least [●] Equity Shares[(c)], of which the:	[●]	[●]
	Mutual Fund Portion is [●] Equity Shares*	[●]	[●]
	Other QIB Bidders, including Mutual Funds is [●] Equity Shares*	[●]	[●]
ii)	Non Institutional Portion of not less than [●] Equity Shares*[(d)]	[●]	[●]
iii)	Retail Portion of not less than [●] Equity Shares*	[●]	[●]
D)	**PAID-UP EQUITY CAPITAL AFTER THE ISSUE**#		
	[●] Equity Shares	[●]	[●]
E)	**SECURITIES PREMIUM ACCOUNT**		
	Before the Issue	1,456.17	
	After the Issue	[●]**	

* *Available for allocation on a proportionate basis, subject to valid Bids being received at or above the Issue Price.*

** *The securities premium account will be determined after completion of the Book Building Process and determination of the Issue Price.*

\# *The post-Issue paid up share capital is within the authorised share capital of our Company.*

^ Pursuant to the Scheme, the paid up share capital of our Company to the extent of Rs. 1,00,000 divided into 10,000 Equiy Shares was reduced and the paid up value was paid off to the shareholders (i.e., the Erstwhile Promoters) entitled thereto.

(a) The authorized share capital of our Company was increased from Rs. 1,00,000 consisting of 10,000 Equity Shares to Rs. 2,00,000 consisting of 20,000 Equity Shares, through a resolution of the shareholders of our Company dated July 2, 2008.

Further, the authorized share capital of our Company was increased from Rs. 2,00,000 consisting of 20,000 Equity Shares to Rs. 2,00,02,00,000 consisting of 20,00,20,000 Equity Shares, pursuant to the terms of the Scheme and was recorded through a Board resolution of our Company dated September 25, 2009. The authorised share capital was further increased from Rs. 2,00,02,00,000 consisting of 20,00,20,000 Equity Shares to Rs. 3,50,00,00,000 consisting of 35,00,00,000 Equity Shares through a resolution of the shareholders of our Company dated December 15, 2009. Further, the authorized share capital of our Company was increased from Rs. 3,50,00,00,000 consisting of 35,00,00,000 Equity Shares to Rs. 5,00,00,00,000 consisting of 50,00,00,000 Equity Shares through a resolution of the shareholders of our Company dated December 15, 2009.

(b) This Issue has been authorized by resolutions of our Board dated January 7, 2010 and by a special resolution passed pursuant to Section 81(1A) of the Companies Act, at the EGM of our Company held on January 7, 2010.

(c) If at least 50% of the Issue cannot be Allotted to QIBs, the entire application money shall be refunded. Our Company may, in consultation with the Book Running Lead Manager, allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Price on a discretionary basis, out of which at least one-third will be available for allocation to domestic Mutual Funds only. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs, subject to valid Bids being received from them at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than [●] Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to QIBs in proportion to their Bids.

Further, attention of all QIBs bidding under the Net QIB Portion is specifically drawn to the following: (a) QIBs will not be allowed to withdraw their Bid cum Application Forms after 3.00 p.m. on the Bid Closing Date. In the event of under-subscription in the Mutual Fund Portion, the unsubscribed portion would be added to the balance of the Net QIB Portion for allocation on a proportionate basis to the QIBs bidding in the Net QIB Portion.

(d) Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non-Institutional Portion and the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories, at the sole discretion of our Company, in consultation with Book Running Lead Manager.

Notes to Capital Structure

1. Share Capital History

a) History of Equity Share capital of our Company

Date of allotment/ date when made fully paid	Number of Equity Shares allotted	Issue Price (Rs.)	Face Value (Rs.)	Nature of Consideration	Cumulative number of Equity Shares	Cumulative share capital (Rs. in Lakh)	Cumulative share premium (Rs. in Lakh)	Reasons for allotment
April 18, 2005	10,000	10	10	Cash	10,000	1.00	Nil	Initial subscription
September 25, 2009	20,00,00,000	10	10	Other than cash	20,00,00,000	20,000.00	Nil	Allotment of Equity Shares pursuant to the Scheme*
Pursuant to the Scheme, the initial allotment of 10,000 Equity Shares aggregating to paid up share capital of Rs.1,00,000 of our Company was reduced and the paid up value was paid off to the shareholders (i.e., the Erstwhile Promoters) entitled thereto. For further details of the Scheme, see the section titled "History and Certain Corporate Matters" on page 90.								
January 7, 2010	70,00,000	10	10	Cash	20,70,00,000	20,700 .00	Nil	Preferential Allotment
March 31, 2010	14,00,000	36	10	Cash	20,84,00,000	20,840 .00	364.00	Preferential Allotment
June 1, 2010	36,40,579	40	10	Cash	21,20,40,579	21,204.06	1,456.17	Preferential Allotment
Total	**21,20,40,579**		**---**	**---**	**21,20,40,579**	**21,219.13**	**1,456.17**	**---**

* Details of allotment made pursuant to the Scheme are as follows:

Name of Allottee	Number of Equity Shares Allotted	Cumulative number of Equity Shares	Cumulative share capital (Rs. In Lakh)
Promoter			
Mr. Hulas Rahul Gupta	7,48,85,494	7,48,85,494	7,488.55
Mr. Bhushan Kumar Gupta	5,50,00,001	12,98,85,495	12,988.55
Promoter Group			
Greenlite Lighting Corporation	7,01,14,500	19,99,99,995	20,000.00
Ms. Priya Desh Gupta	1	19,99,99,996	20,000.00
Ms. Abha Gupta	1	19,99,99,997	20,000.00
Others			
Mr. Anand Kumar Agarwal	1	19,99,99,998	20,000.00
Mr. Gurbaksh Singh Vohra	1	19,99,99,999	20,000.00
Mr. Atul Kumar Mittal	1	20,00,00,000	20,000.00
Total	**20,00,00,000**	**20,00,00,000**	**20,000.00**

For details of the Scheme, see the section titled "History and Certain Corporate Matters" on page 90.

b) Equity Shares issued for consideration other than cash

Except for the Equity Shares issued pursuant to the Scheme, as detailed below, no Equity Shares have been issued for consideration other than cash.

Date of allotment*	Name of the Alottee	Number of Equity Shares allotted	Issue Price (Rs.)**	Nature of Consideration	Cumulative share premium (Rs.)	Reasons for allotment

Promoter						Allotment pursuant to the Scheme*
September 25, 2009	Mr. Hulas Rahul Gupta	7,48,85,494	10	Other than cash	Nil	
September 25, 2009	Mr. Bhushan Kumar Gupta	5,50,00,001	10	Other than cash	Nil	
Promoter Group						
September 25, 2009	Greenlite Lighting Corporation	7,01,14,500	10	Other than cash	Nil	
September 25, 2009	Ms. Priya Desh Gupta	1	10	Other than cash	Nil	
September 25, 2009	Ms. Abha Gupta	1	10	Other than cash	Nil	
Others						
September 25, 2009	Mr. Anand Kumar Agarwal	1	10	Other than cash	Nil	
September 25, 2009	Mr. Gurbaksh Singh Vohra	1	10	Other than cash	Nil	
September 25, 2009	Mr. Atul Kumar Mittal	1	10	Other than cash	Nil	
Total		**20,00,00,000**	**---**	**---**	**Nil**	---

* *The Equity Shares were fully paid on the date of their allotment.*
** *The cost of acquisition excludes the stamp duty paid.*

For further details of the Scheme, see the section titled "History and Certain Corporate Matters" on page 90.

2. Build up, Contribution and Lock-in of Promoters and Promoter Group

(a) Details of build up of our Promoters' shareholding in our Company:

Name of the Promoter	Date of allotment*	No. of Equity Shares	% of pre-Issue Capital	% of post-Issue Capital	Issue Price per Equity Share (Rs.)**	Nature of Consideration	Nature of Transaction
Mr. Hulas Rahul Gupta	September 25, 2009	7,48,85,494#	-	[●]	10	Other than cash	Allotment pursuant to the Scheme^
	January 7, 2010	55,00,000		[●]	10	Cash	Preferential Allotment
Sub total	-	*8,03,85,494*	*37.91*	-	-	-	-
Mr. Bhushan Kumar Gupta	September 25, 2009	5,50,00,001#	-	[●]	10	Other than cash	Allotment pursuant to the Scheme^
	January 7, 2010	15,00,000		[●]	10	Cash	Preferential Allotment
Sub total		*5,65,00,001*	*26.65*	[●]	-	-	-
Total		**13,68,85,495**	**64.56**	[●]	-	-	-

5,69,62,000 Equity Shares and 1,28,50,000 Equity Shares held by Mr. Hulas Rahul Gupta and Mr. Bhushan Kumar Gupta, respectively and constituting 26.86% and 6.06 % of the Pre-Issue share capital of our Company, respectively, are currently pledged in favour of Union Bank of India under the terms of a share pledge agreement and a loan facility agreement both dated January 16, 2009. For further details in relation to the same, see the sections titled "Financial Indebtedness" and "Risk Factors" on pages 140 and xi, respectively.
* *The Equity Shares were fully paid on the date of their allotment.*
** *The cost of acquisition excludes the stamp duty paid.*
^ *For further details of the Scheme, see the section titled "History and Certain Corporate Matters" on page 90.*

(b) Details of Promoters' Contribution locked-in for three years:

Pursuant to the SEBI Regulations, an aggregate of 20% of the post-Issue capital of our Company held by the Promoters shall be locked-in for a period of three years from the date of Allotment. The Promoters have by a written undertaking dated January 9, 2010 granted their consent to include such number of Equity Shares held by them, as may constitute 20% of the post-Issue Equity Share capital of our Company, to be considered as minimum 'promoter's contribution' and locked-in for a period of three years from the date of Allotment ("**Promoters' Contribution**").

The Promoter's Contribution would be locked in as per applicable law and procedure and details of the same shall also be provided to the Stock Exchanges before listing the Equity Shares. The Promoters have, pursuant to their undertaking dated January 9, 2010, agreed not to sell, transfer, pledge or otherwise dispose off in any manner, the Promoter's Contribution from the date of filing of the Draft Red Herring Prospectus till the lock-in remains effective.

Details of Equity Shares locked-in pursuant to Promoters' Contribution are as provided below:

Name of the Promoter	**Date of allotment****	**Nature of allotment**	**Face Value (Rs.)**	**Acquisition Price per Equity Share (Rs.)**	**% of post-Issue Capital**	**Nature of Consideration**	**Number of Equity Shares locked in***
Mr. Bhushan Kumar Gupta	[●]	[●]	[●]	[●]	[●]	[●]	[●]
Mr. Hulas Rahul Gupta	[●]	[●]	[●]	[●]	[●]	[●]	[●]

* *The figures to be provided in this table shall be finalised upon determination of Issue Price and the number of Equity Shares to be issued in the Issue, consequent to the Book Building Process.*
** *The Equity Shares were fully paid on the date of their allotment.*

The Promoters' Contribution has been brought in to the extent of not less than the specified minimum lot and by persons defined as 'Promoters' under the SEBI Regulations.

Securities eligible for Promoters' Contribution

A detailed Promoter-wise build up of share capital reflecting Equity Shares eligible and Equity Shares ineligible is given below for your reference.

Detail of shares of Transferor Company				Detail of shares of Transferee Company post amalgamation						
Original Date of Allotment / Acquisition	**Cert. No.**	**Distinctive No.**	**No. of Shares**	**Date of Allotment**	**Cert. No.**	**Distinctive No.**	**No. of Shares**	**Eligible shares**	**Pledged Shares**	**Remark**
12.06.2006	2	49995-49995	1	25.09.2009	11	10001-10001	1	1	-	Eligible
31.03.2008	8	50001-2050000	20,00,000	25.09.2009	12	10002-2660001	26,50,000	26,50,000	-	Eligible
31.03.2008	9	2050001-2700000	6,50,000	25.09.2009						
20.05.2008	14	28000001-38000000	1,00,00,000	25.09.2009	13	2660002-12660001	1,00,00,000	1,00,00,000	-	Eligible
20.05.2008	15	38000001-48000000	1,00,00,000	25.09.2009	14	12660002-22660001	1,00,00,000	1,00,00,000	-	Eligible
20.05.2008	16	48000001-58000000	1,00,00,000	25.09.2009	15	22660002-32660001	1,00,00,000	1,00,00,000	-	Eligible
25.08.2008	21	85000001-95000000	1,00,00,000	25.09.2009	16	32660002-42660001	1,00,00,000	1,00,00,000	-	Eligible
25.08.2008	22	95000001-96000000	10,00,000	25.09.2009	17	42660002-43660001	10,00,000	10,00,000	-	Eligible
25.08.2008	23	96000001-96350000	3,50,000	25.09.2009	18	43660002-44010001	3,50,000	-	3,50,000	Pledged & ineligible
04.12.2008	35	175114501-181114500	60,00,000	25.09.2009	19	44010002-50010001	60,00,000	-	60,00,000	Pledged & ineligible
30.12.2008	37	185000001-190000000	50,00,000	25.09.2009	20	50010002-55010001	50,00,000	-	50,00,000	Pledged & ineligible
-	-	-	-	07.01.2010*	49	200010001-201510000	15,00,000	-	15,00,000	Pledged & ineligible
Total			**5,50,00,001**				**5,65,00,001**	**4,36,50,001**	**1,28,50,000**	

*Shares allotted on January 7, 2010 in the merged company (i.e. this investment came in the Transferee Company only)

Mr. Hulas Rahul Gupta

Detail of shares of Transferor Company	Detail of shares of Transferee Company post	Eligible shares	Pledged	Remark

				amalgamation					Shares	
Original Date of Allotment / Acquisition	Cert. No.	Distinctive No.	No. of Shares	Date of Allotment	Cert. No.	Distinctive No.	No. of Shares			
12.06.2006	1	1-49994	49,994	25.09.2009	21	55010002-55059995	49,994	49,994		Eligible
31.03.2008	10	2700001-12700000	1,00,00,000	25.09.2009	22	55059996-65059995	1,00,00,000	1,00,00,000		Eligible
31.03.2008	11	12700001-22700000	1,00,00,000	25.09.2009	23	65059996-75059995	1,00,00,000	-	1,00,00,000	Pledged & ineligible
31.03.2008	12	22700001-27700000	50,00,000	25.09.2009	24	75059996-80059995	50,00,000	50,00,000		Eligible
31.03.2008	13	27700001-28000000	3,00,000	25.09.2009	25	80059996-80359995	3,00,000	3,00,000		Eligible
20.05.2008	17	58000001-68000000	1,00,00,000	25.09.2009	26	80359996-90359995	1,00,00,000	-	1,00,00,000	Pledged & ineligible
20.05.2008	18	68000001-78000000	1,00,00,000	25.09.2009	27	90359996-100359995	1,00,00,000	-	1,00,00,000	Pledged & ineligible
20.05.2008	19	78000001-83000000	50,00,000	25.09.2009	28	100359996-105359995	50,00,000	50,00,000		Eligible
20.05.2008	20	83000001-85000000	20,00,000	25.09.2009	29	105359996-106474495	11,14,500	-	11,14,500	Pledged & ineligible
				25.09.2009	30	106474496-107359995	8,85,500	8,85,500		Eligible
25.08.2008	24	96350001-97000000	6,50,000	25.09.2009	31	107359996-108009995	6,50,000	6,50,000		Eligible
25.08.2008	25	97000001-100000000	30,00,000	25.09.2009	32	108009996-111009995	30,00,000	-	30,00,000	Pledged & ineligible
25.08.2008#	26	100000001-105000000	50,00,000	25.09.2009	51	111009996-114471995	34,62,000	-	34,62,000	Pledged & ineligible
				25.09.2009	52	114471996-116009995	15,38,000	15,38,000		Eligible
04.12.2008	36	181114501-185000000	38,85,500	25.09.2009	34	116009996-119895495	38,85,500	-	38,85,500	Pledged & ineligible
30.12.2008	38	190000001-200000000	1,00,00,000	25.09.2009	35	119895496-129895495	1,00,00,000	-	1,00,00,000	Pledged & ineligible
-	-	-	-	07.01.2010*	50	201510001-207010000	55,00,000	-	55,00,000	Pledged & ineligible

Total			**7,48,85,494**				**8,03,85,494**	**2,34,23,494**	**5,69,62,000**	

This share certificate which was changed to certificate no. 33 pursuant to scheme of amalgamation was splitted on January 7, 2010 into 2 share certificates of denomination of 34,62,000 shares and 15,38,000 shares bearing certificate no. 51 and 52 respectively and out of the two, share certificate no. 51 containing 34,62,000 shares is pledged with the Union Bank of India. The second share certificate no. 52 is free.

*Shares allotted on January 7, 2010 in the merged company (i.e. this investment came in the Transferee Company only)

All the Equity Shares which are to be locked-in are eligible for computation of Promoters' contribution, in accordance with the SEBI Regulations.

The Equity Shares eligible for and proposed to be included as part of the minimum Promoters' Contribution are as follows:

Name of the Promoter	Date of allotment*	Nature of allotment	Face Value (Rs.)	Issue Price (Rs.)**	Nature of Consideration	Number of Equity Shares Eligible for 'lock-in'	% of Pre-Issue Share capital
Mr. Bhushan Kumar Gupta	September 25, 2009	Allotment pursuant to the Scheme	10	10	Other than cash	4,36,50,001	20.59
Mr. Hulas Rahul Gupta	September 25, 2009	Allotment pursuant to the Scheme	10	10	Other than cash	2,34,23,494	11.05

* *The Equity Shares were fully paid on the date of their allotment.*
** *The cost of acquisition excludes the stamp duty paid.*

The abovementioned Equity Shares proposed to be included as part of the minimum Promoters' Contribution:

(a) have not been subject to pledge or any other form of encumbrance;
(b) have not been issued out of revaluation reserves or capitalization of intangible assets and have not been issued against shares, which are otherwise ineligible for promoter's contribution;
(c) Have been acquired pursuant to the Scheme in lieu of business and invested capital that has been in existence for a period of more than one year before the approval of the Scheme and are thus eligible for Promoter's Contribution accordance with Regulation 33 (1)(b)(ii) of the SEBI Regulations.

We further, confirm that the Equity Shares offered for minimum promoter's contribution are not ineligible in terms of provisions of Regulation 33 (1a) and (1b) of the SEBI ICDR Regulations.

In terms of Regulation 33(1a) of the SEBI ICDR Regulation, the Equity Shares offered for minimum promoter's contribution have not been issued out of revaluation reserves or capitalization of intangible assets and have not resulted from a bonus issue by utilization of revaluation of reserves or unrealized profits of the Company or from a bonus issue against equity shares which are ineligible for minimum promoters contribution.

Further, the Equity Shares offered for minimum promoter's contribution have been acquired pursuant to the Scheme in lieu of business and invested capital that has been in existence for a period of more than one year before the approval of the Scheme and are thus eligible for Promoter's Contribution accordance with Regulation 33 (1)(b)(ii) of the SEBI ICDR Regulations.

Further, our Company has not been formed by the conversion of a partnership firm into a company.

(c) Equity Shares locked-in for one year

In addition to the Promoters' Contribution, our entire pre-Issue Equity Share capital, constituting of [●] Equity Shares, will be locked-in for a period of one year from the date of Allotment.

Any Equity Shares allotted to Anchor Investors in the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.

(d) Other requirements in respect of 'lock-in'

The locked-in Equity Shares held by the Promoters may be pledged with banks or financial institutions as collateral security for loans granted by such banks or financial institutions, provided the pledge of such Equity Shares is one of the terms of sanction of loan. Further, the Promoters' Contribution may be pledged only if, in addition to fulfilling the above condition, the loan has been granted by banks or financial institutions for the purpose of financing one or more of the objects of the Issue, as mentioned in the section titled "Objects of the Issue" on page 32.

The Equity Shares held by persons other than our Promoters prior to the Issue, which are locked-in for a period of one year from the date of Allotment, may be transferred to any other person holding the Equity Shares which are similarly locked-in for one year, subject to continuation of the lock-in in the hands of transferees for the remaining period and in compliance with the Takeover Code.

Further, Equity Shares held by our Promoters, which are locked-in, may be transferred to and amongst the Promoter Group or to a new promoter or persons in control of our Company, subject to continuation of lock-in in the hands of the transferees for the remaining period and in compliance with the Takeover Code.

Furthermore, the Equity Shares subject to lock-in will be transferable, subject to compliance with the SEBI Regulations.

(e) Details of build up of shareholding of Promoter Group in our Company

Name	Date of allotment	No. of Equity Shares*	% of pre-Issue Capital	% of post-Issue Capital	Issue Price per Equity Share (Rs.)**	Nature of Consideration	Nature of Transaction
Greenlite Lighting Corporation	September 25, 2009	7,01,14,500	33.07	[●]	10	Other than cash	Allotment Pursuant to the Scheme***
Ms. Priya Desh Gupta	September 25, 2009	1	*Negligible*	[●]	10	Other than cash	Allotment Pursuant to the Scheme***
Ms. Abha Gupta	September 25, 2009	1	*Negligible*	[●]	10	Other than cash	Allotment Pursuant to the Scheme***
Total		**7,01,14,502**	**33.07**	[●]			

______
* *The Equity Shares were fully paid on the date of their allotment.*
** *The cost of acquisition excludes the stamp duty paid.*
*** *For further details of the Scheme, see the section titled "History and Certain Corporate Matters" on page 90.*

(a) Our shareholding pattern

The table below represents the shareholding pattern of our Company, pre-Issue and as adjusted for this Issue:

	Pre-Issue		Post-Issue	
	No. of Equity Shares	**%**	**No. of Equity Shares***	**%**
A. Promoters				
Mr. Hulas Rahul Gupta^	8,03,85,494	37.91	8,03,85,494	[●]
Mr. Bhushan Kumar Gupta^	5,65,00,001	26.65	5,65,00,001	[●]
Sub-Total	*13,68,85,495*	*64.56*	*13,68,85,495*	[●]
B. Promoter Group				
Greenlite Lighting Corporation	7,01,14,500	33.07	7,01,14,500	[●]
Ms. Priya Desh Gupta	1	*Negligible*	1	[●]
Ms. Abha Gupta	1	*Negligible*	1	[●]
Sub-Total	*7,01,14,502*	*33.07*	*7,01,14,502*	[●]
C. ***Others***				
Mr. Anand Kumar Agarwal	1	*Negligible*	1	[●]
Mr. Gurbaksh Singh Vohra	1	*Negligible*	1	[●]
Mr. Atul Kumar Mittal	1	*Negligible*	1	[●]
Brand Equity Treaties Limited	14,00,000	*0.65*	14,00,000	[●]
Schmid Singapore Pte. Ltd.	36,40,579	*1.72*	36,40,579	[●]
Sub-Total	50,40,582	*2.37*	50,40,582	[●]

	Pre-Issue		Post-Issue	
	No. of Equity Shares	%	No. of Equity Shares*	%
Sub-Total*(A+B+C)*	21,20,40,579	*100.00*	21,20,40,579	[●]
D. Issue to Public	--	--	[●]	[●]
Total (A+B+C+D)	21,20,40,579	**100.00**	[●]	**100.00**

* *Based on the assumption that such shareholders shall continue to hold the same number of Equity Shares after this Issue. This does not include any Equity Shares that such shareholders (excluding Promoter and Promoter Group) may subscribe for and be Allotted.*

^ *5,69,62,000 Equity Shares and 1,28,50,000 Equity Shares held by Mr. Hulas Rahul Gupta and Mr. Bhushan Kumar Gupta, respectively and constituting 26.86% and 6.06 % of the Pre-Issue share capital of our Company, respectively, are currently pledged in favour of Union Bank of India under the terms of a share pledge agreement and a loan facility agreement both dated January 16, 2009. For further details in relation to the same, see the sections titled "Financial Indebtedness" and "Risk Factors" on pages 140 and xi, respectively.*

5. Except as set forth below, none of the Directors or Key Managerial Personnel holds Equity Shares:

S. No.	Name of shareholder	Number of Equity Shares held	Pre Issue %	Post Issue %
Directors				
1.	Mr. Hulas Rahul Gupta	8,03,85,494	37.91	[●]
2.	Mr. Bhushan Kumar Gupta	5,65,00,001	26.65	[●]
3.	Mr. Anand Kumar Agarwal	1	*Negligible*	[●]
Key Managerial Personnel				
1.	Mr. Atul Kumar Mittal	1	*Negligible*	[●]

6. Top ten shareholders

The list of the principal shareholders of our Company and the number of Equity Shares held by them is provided below:

(a) As on the date of filing this Red Herring Prospectus, our Company has 10 shareholders and their shareholding details are as follows:

S. No.	Shareholder	No. of Equity Shares Held	Pre Issue %
1.	Mr. Hulas Rahul Gupta	8,03,85,494	37.91
2.	Greenlite Lighting Corporation	7,01,14,500	33.07
3.	Mr. Bhushan Kumar Gupta	5,65,00,001	26.65
4.	Ms. Priya Desh Gupta	1	*Negligible*
5.	Ms. Abha Gupta	1	*Negligible*
6.	Mr. Anand Kumar Agarwal	1	*Negligible*
7.	Mr. Gurbaksh Singh Vohra	1	*Negligible*
8.	Mr. Atul Kumar Mittal	1	*Negligible*
9.	Brand Equity Treaties Limited	14,00,000	0.65
10.	Schmid Singapore Pte. Ltd.	36,40,579	1.72
	Total	*21,20,40,579*	**100.00**

(b) As on 10 days prior to filing of this Red Herring Prospectus, our Company had 10 shareholders and their shareholding details are as follows:

S. No.	Shareholder	No. of Equity Shares Held	Pre Issue %
11.	Mr. Hulas Rahul Gupta	8,03,85,494	37.91
12.	Greenlite Lighting Corporation	7,01,14,500	33.07
13.	Mr. Bhushan Kumar Gupta	5,65,00,001	26.65
14.	Ms. Priya Desh Gupta	1	*Negligible*
15.	Ms. Abha Gupta	1	*Negligible*
16.	Mr. Anand Kumar Agarwal	1	*Negligible*
17.	Mr. Gurbaksh Singh Vohra	1	*Negligible*
18.	Mr. Atul Kumar Mittal	1	*Negligible*
19.	Brand Equity Treaties Limited	14,00,000	0.65
20.	Schmid Singapore Pte. Ltd.	36,40,579	1.72
	Total	*21,20,40,579*	**100.00**

(c) As of two years prior to the filing of this Red Herring Prospectus, our Company had two shareholders, the Erstwhile Promoters. The name of such shareholders and the number of Equity Shares held by them as of two years prior to filing this Red Herring Prospectus were as follows:

S. No.	Shareholder	No. of Equity Shares Held	Pre Issue %
1.	Mr. Manmohan Singh	5,000	50.00
2.	Mr. Bhupendra Singh	5,000	50.00
	Total	**10,000**	**100.00**

7. Our Company, our Directors, and the Book Running Lead Manager have not entered into any buy-back arrangements for the purchase of Equity Shares being offered through this Issue.

8. Neither the Book Running Lead Manager nor its associates hold any Equity Shares as on the date of filing of this Red Herring Prospectus.

9. Details of Equity Shares issued by our Company at a price which may be lower than the Issue Price, in the last one year preceding the date of filing of this Red Herring Prospectus, are as follows:

Name of Person	No. of Equity Shares alloted	Date of allotment	Reasons for allotment	Issue Price (in Rs.)
Promoters				
Mr. Bhushan Kumar Gupta	5,50,00,001	September 25, 2009	Allotment pursuant to the Scheme	10
	15,00,000	January 7, 2010	Preferentiual allotment	10
Mr. Hulas Rahul Gupta	7,48,85,494	September 25, 2009	Allotment pursuant to the Scheme	10
	55,00,000	January 7, 2010	Preferentiual allotment	10
Others				
Greenlite Lighting Corporation	7,01,14,500	September 25, 2009	Allotment pursuant to the Scheme	10
Ms. Priya Desh Gupta	1	September 25, 2009	Allotment pursuant to the Scheme	10
Ms. Abha Gupta	1	September 25, 2009	Allotment pursuant to the Scheme	10
Mr. Anand Kumar Agarwal	1	September 25, 2009	Allotment pursuant to the Scheme	10
Mr. Gurbaksh Singh Vohra	1	September 25, 2009	Allotment pursuant to the Scheme	10
Mr. Atul Kumar Mittal	1	September 25, 2009	Allotment pursuant to the Scheme	10
Brand Equity Treaties Limited	14,00,000	March 31, 2010	Preferentiual allotment	36
Schmid Singapore Pte. Ltd.	36,40,579	June 1, 2010	Preferentiual allotment	40

10. There will be no further issue of capital whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of filing of this Red Herring Prospectus until the Equity Shares have been listed. Further, our Company does not have any intention, proposal, negotiations or consideration to alter its capital structure by way of split /consolidation of the denomination of the Equity Shares, or issue of Equity Shares on a preferential basis or issue of bonus or rights or further public issue of shares or any other securities, within a period of six months from the date of the Bid Opening Date.

11. Our Company has not issued any Equity Shares out of its revaluation reserves.

12. Our Company does not have any scheme of employee stock option or employee stock purchase.

13. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments into the Equity Shares.

14. The Equity Shares are fully paid-up as on the date of filing this Red Herring Prospectus.

15. Our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation.

16. Our Company will not, without the prior written consent of the Book Running Lead Manager, during the period commencing from the date of the issue agreement entered into among the Book Running Lead Manager and our Company and ending 180 calendar days after the date of trading of the Equity Shares: (i) issue, offer, lend, encumber, sell, contract to sell or issue, sell any option or contract to purchase, purchase any option or contract to sell or issue, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any Equity Shares or any securities convertible into or exercisable or exchangeable for Equity Shares; (ii) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of the Equity Shares or any securities convertible into or exercisable as or exchangeable for the Equity Shares; or (iii) publicly announce any intention to enter into any transaction described in (i) or (ii) above, whether any such transaction described in (i) or (ii) above is to be settled by delivery of the Equity Shares or such other securities, in cash or otherwise.

    If our Company enters into acquisitions or joint ventures for the purposes of our business, it may, subject to necessary approvals and consents, consider raising additional capital to fund such activities or use the Equity Shares as currency for acquisition or participation in such joint ventures.

17. There are certain restrictive covenants in the facility agreements entered into by our Company with certain lenders. For details, see the section titled "Financial Indebtedness" on page 140.

18. Neither of our Promoter, Promoter Group, Directors nor their immediate relatives have purchased or sold any securities of our Company within six months preceding the date of filing of this Red Herring Prospectus.

19. None of our Promoters, Promoter Group, Directors and their relatives have financed the purchase by any other person of Equity Shares during the period of six months immediately preceding the date of filing of the Draft Red Herring Prospectus.

20. Our Promoters and Promoter Group will not participate in this Issue.

21. Our Company shall ensure that transactions in the Equity Shares by our Promoters and the Promoter Group between the date of filing of this Red Herring Prospectus and the Bid Closing Date shall be intimated to the Stock Exchanges within 24 hours of such transaction.

22. This Issue is being made through a 100% Book Building Process wherein at least 50% of the Issue shall be Allocated to QIBs. If at least 50% of the Issue cannot be Allotted to QIBs, then the entire application money will be refunded forthwith.

    Our Company may allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Price on a discretionary basis, out of which at least one-third will be available for allocation to domestic Mutual Funds only. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs, subject to valid Bids being received from them at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than [●] Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIBs in proportion to their Bids.

Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

23. Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non-Institutional Portion and Retail Portion would be allowed to be met with spill-over from other categories at the sole discretion of our Company in consultation with the Book Running Lead Manager.

24. Oversubscription, if any, to the extent of 10% of this Issue can be retained for the purpose of rounding off and making allotments in minimum lots, while finalising the 'Basis of Allotment'. Consequently, the Allotment may increase by a maximum of 10% of this Issue, as a result of which the post-Issue paid-up capital would also increase by the excess amount of Allotment so made. In such an event, the Promoter's Contribution shall be suitably increased, so as to ensure that 20% of the post-Issue paid-up capital is locked in.

25. A Bidder cannot make a Bid for more than the number of Equity Shares offered through the Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of Bidder.

26. The Equity Shares issued pursuant to this Issue shall be fully paid-up at the time of Allotment, failing which no Allotment shall be made.

27. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

28. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

29. As on the date of this Red Herring Prospectus, the total number of holders of Equity Shares is ten.

30. Our Company has not raised any bridge loans against the proceeds from the Issue.

OBJECTS OF THE ISSUE

Our Requirement of Funds

The activities for which funds are being raised by our Company through this Issue are:

1. to finance the expansion of our annual manufacturing capacity for SPV cells by adding a third line of 100 MW, ("**Line 3**"); and
2. for general corporate purposes.

(collectively, referred to herein as the "**Objects**").

In addition, our Company expects to receive the benefits of listing of the Equity Shares on the Stock Exchanges.

The main objects clause of our Memorandum enables us to undertake the existing activities of our Company and the Objects for which funds are being raised by our Company through this Issue.

Details of the Issue Proceeds

The details of the proceeds of this Issue are summarized below:

Particular	Estimated Amount (*Rs. in Lakh*)
Gross proceeds to be raised through this Issue ("**Gross Proceeds**")	37,660.02*
Less Proceeds from the Pre-IPO	1,960.23
Net Proceeds to be raised through this Issue excluding Pre-IPO Placement	35,700.00
Issue related expenses**	[•]
Net proceeds of the Issue after deducting the Issue related expenses from the Gross Proceeds ("**Net Proceeds**") **	[•]

* *Includes the amount aggregating to Rs. 1,960.23 Lakh, received pursuant to the Pre-IPO Placement.*
** *Will be incorporated after finalization of the Issue Price.*

Utilization and deployment of the Issue Proceeds:

The total fund requirement and utilization of Net Proceeds will be as per the table set forth below:

(Rs. in Lakh)

S. No.	Particulars	Total Estimated Cost **	Amount Deployed till July 31, 2010	Estimated Schedule of Deployment	
				Fiscal 2011	Fiscal 2012
1.	Setting up of Line 3	33,742.80	Nil	26,994.24	6,748.56
2.	General corporate purposes*	[●]	Nil	[●]	[●]
	Total*	[●]	Nil	[●]	[●]

* *Will be incorporated upon finalization of Issue Price.*
*** As certified by Singhal Dinesh & Co, Chartered Accountants, by their certificate dated September 1, 2010.*

Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time. Our funding requirements and deployment of the Net Proceeds are based on our current conditions and are subject to change in light of changes in external circumstances or in our financial condition, business or strategy. This may also include rescheduling the proposed utilization of Net Proceeds and increasing or decreasing expenditure for a particular object vis-à-vis the utilization of Net Proceeds. For instance, we may also reallocate expenditure to the other activities, in the case of delays in our existing plans or proposed activities. In certain cases, the delays may be caused due to external factors such as non-receipt of requisite approvals, which consequently, may change our fund requirements. Any such change in our plans may require rescheduling of our expenditure programs, starting projects or capital expenditure programs which are not currently planned, discontinuing existing plans or proposed activities and an increase or decrease in the capital expenditure programs for the Objects, at the discretion of our Company.

In case of shortfall/ cost overruns, if any, for the Objects, we intend to meet the same through a range of options including seeking additional debt or raising further equity capital. Further, in the event that estimated utilization out of the Net Proceeds in a Fiscal is not completely met, the same shall be utilized in the next Fiscal.

Our manufacturing facility for SPV cells in Greater Noida currently comprises two SPV cell manufacturing lines having an annual capacity of 80 MW each which commenced commercial production in July, 2009 and March, 2010, respectively, resulting in an aggregate annual capacity of 160 MW.

We intend to increase our annual production capacity to approximately 260 MW by October 2011, with the commercial production through the proposed Line 3, which we intend to finance out of the Net Proceeds. The Line 3 is expected to be completed in August 2011 and is expected to commence commercial production in October 2011.

We propose to expand our existing manufacturing capacities to increase our production capabilities and meet demand for our products in future. We believe that this would provide us economies of scale, significantly contributing to our growth as a leading solar cell manufacturer in terms of aggregate annual capacity of solar power.

The details of the main items of expenditure proposed to be incurred for the Line 3 are provided herein below:

(Rs. Lakh)

Sl. No	Description	Total Estimated Cost *	Amount Deployed till July 31, 2010	Amount to be financed from the Net Proceeds
A	Production hall for housing Line 3	1,488.10	Nil	1,488.10
B	Plant and Machinery	24,765.10	Nil	24,765.10
C	Auxiliary equipment and miscellaneous fixed assets	7,489.60	Nil	7,489.60
	Total	**33,742.80**	**Nil**	**33,742.80**

** As certified by Singhal Dinesh & Co, Chartered Accountants, by their certificate dated September 01, 2010.*

(a) Production hall for housing Line 3

Our Company has constructed a basement area of about 12,500 square meters. As per the requirement, the production hall was constructed on about 5,800 square meters area and our Company has commissioned two lines of 80 MW each. The Company has constructed required infrastructure and utilities, for example, office area, cooling tower, DG yard, gas yard and security room. The Company has also constructed the required boundary wall, road and underground water / diesel tank sufficient for the total project. Now, our Company proposes to construct the production hall, over the remaining basement of about 6,700 square meters to house the Line 3.

The construction cost of the production hall is estimated at Rs. 1,488.10 Lakh as certified by Semac Private Limited, Architects and Consulting Engineers by their letter dated May 14, 2010, which our Company proposed to finance through the Net Proceeds in Fiscal 2011.

(b) Plant and Machinery

We are required to make substantial investments in capital equipment due to the nature of the industry we operate in. We propose to purchase all the plant and machinery required for setting up Line 3 from Schmid. Schmid has provided a consolidated quotation dated December 11, 2009 for the equipments mentioned below required for Line 3 on a turnkey basis which is valid as on the date.

The following table sets out the equipment for which we have received quotations from Schmid and are currently under consideration for placing orders:

Sr. No.	Description	Quantity
1	Carrier Loader, 10 Lane	1
2	Alkaline Horizontal Wetprozess for Wafer Texturation, 10 Lane System	1
3	Carrier Unloader, 10 Lane	1
4	Carrier Loader, 5 Lane	2
5	Phosphorous doper inclusive of Minienvironment + autofill	2
6	Difussion Furnace, diffusion of Phoshor	2
7	Carrier Unloader, 5 Lane	2
8	Inspection Conveyor with Life-Time and sheet resistant and Syncronization.	2
9	Carrier Loader, 5 Lane, BC	2
10	Ink-Jet System for frontside-masking	2
11	Carrier Unloader, 5 Lane	2
12	Carrier Loader, 10 Lane	1
13	PSG-etching, Edge isolation/Selected Emitter, 10 Lane	1
14	Carrier Unloader, 10 Lane	1
15	Carrier Loader, 5 Lane, BC	3
16	Wafer handling to PECVD Process	3
17	PECVD inclusive of Tray return	3
18	Abatement System for all PECVD	3
19	Blue eye inspection for ARC control	3
20	Carrier Unloader, 5 Lane	3
21	Carrier Loader, 5 Lane	1
22	Converter	1
23	Screen Printing Line multilane, 3 printing steps	1
24	Drying Furnace DSP	1
25	Drying Furnace DSP	1
26	Firing Furnace inclusive of Afterburner	1
27	Converter	1
28	Carrier Unloader, 5 Lane	1
29	Carrier Loader, 5 Lane	1
30	Light induced plater (LIP), 10 Lane	1
31	Carrier Unloader, 5 Lane	1
32	Carrier Loader, 5 Lane	1
33	Cell Sorter with sun simulation 36 classes, Cell Inspection FS+RS	1
34	Overall Factory Control Set	1
35	Selective Emitter	1
36	Monotrac intra-logistic	1
Consolidated cost *(Rs. Lakh)*		**22,111.70**
	Freight, insurance & clearing charges @2% (as per management estimates)	442.23
	Provision for Exchange Variation @10% (as per management estimates)	2,211.17
	Total (Rs. Lakh)	**24,765.10**

None of the equipment described above, is used or second hand in nature, and we do not propose to purchase any used or second hand equipment. Our Promoters, Directors and Key Managerial Personnel do not have any interest in the proposed acquisition of the equipments or in Schmid from whom the quotations have been received.

We have not yet placed any orders for the machinery and equipments, for the Line 3. We may obtain fresh quotations at the time of actual placement of the order for the respective equipment. The actual cost may thus depend on the prices finally settled with Schmid and to that extent may vary from the above estimates. Further, our estimated completion dates may vary based on the time and cost, or tax or duty implications, involved in actual procurement and exchange conversion rate.

The total cost for procurement, installation and commissioning of the plant and machinery is estimated to be Rs. 24,765.10 Lakh (based on conversion rate of € = Rs. 60.58 as on July 31, 2010. Source: www.oanda.com) which our Company intends to finance through Net Proceeds during Fiscal 2011 and Fiscal 2012.

(b) Auxiliary equipment and miscellaneous fixed assets

We are required to make arrangements for water storage, supply and treatment, chemical storage, supply and treatment, effluent treatment, air scrubbing and solid waste treatment in respect of the Line 3. Certain additional auxiliary equipments and miscellaneous fixed assets are required to be procured and installed at our manufacturing facility.

As per the quotations for procurement and installation of such additional auxiliary equipments and miscellaneous fixed assets received from various suppliers, the total cost estimated for procurement of such additional auxiliary equipments and miscellaneous fixed assets will be approximately Rs. 7,489.60 Lakh (based on conversion rate of $ = Rs. 46.44 as on July 31, 2010. Source: www.oanda.com and conversion rate of € = Rs. 60.58 as on July 31, 2010. Source: www.oanda.com). All the quotations are valid as on the date. Details of the same are provided herein below**:**

SL No.	Details of auxiliary equipment and miscellaneous fixed assets *	Quantity	Unit Cost (Rs. Lakh)	Total Estimated Amount (Rs. Lakh)	Name of the supplier	Date of Quotation
A.) IMPORTED						
1.	Exhaust Non Contaminated Exhaust	1	318.05	318.05	Dr. Kornder GMBH & Co. KG, Germany	April 29, 2010
2.	Exhaust Scrubber Contaminated Exhaust Air	1	227.18	227.18	Dr. Kornder GMBH & Co. KG, Germany	April 29, 2010
3.	Chemical Distribution System	1	545.22	545.22	Dr. Kornder GMBH & Co. KG, Germany	April 29, 2010
4.	De-ionized water plant including RO plant	1	554.73	554.73	Dr. Kornder GMBH & Co. KG, Germany	April 29, 2010
5.	Project management charges	1	514.93	514.93	Dr. Kornder GMBH & Co. KG, Germany	April 29, 2010
6.	Tray Cleaning equipment	1	290.06	290.06	Lotus Systems GMBH, Germany	December 14, 2009
7.	Hepa Filter	1	76.16	76.16	Marchhart GMBH, Austria	December 16, 2009
8.	Chillers	2	78.02	156.04	Carrier Corporation, New York	December 15, 2009
9.	Quality - Screen tension measurement	1	7.64	7.64	Koenen Solar GMBH,Germany	December 14, 2009
10.	Quality – Shuntometer	1	9.12	9.12	PASAN SA, Switzerland	December 14, 2009
11.	Quality - Surface measurement	1	35.09	35.09	ICON Analytical Equipment Private Limited	December 14, 2009
12.	UPS system	2	24.38	48.76	PCI Europe GMBH ,GERMANY	December 15, 2009
13.	Detection System	1	72.08	72.08	MST Technology GMBH,Germany	December 15, 2009
14.	Chemical flooring, in CDS room	1	36.95	36.95	DSB Saurebau GMBH, Germany	December 15, 2009
15.	Main distribution board	1	148.60	148.60	Siemens Bacon GMBH Co KG, GERMANY	December 15, 2009
16.	1875 KVA Gas Genset	2	212.03	424.06	Deutz Power Systems, Germany	May 05, 2010
17.	Heat Exchanger	2	3.96	7.92	GEA Klimatechnik GMBH & Co.KG	December 15, 2009

					Germany	
Sub total				3,472.59		
Freight, insurance & clearing charges @2% (as per management estimates)				69.45		
Provision for Exchange Variation @10% (as per management estimates)				347.26		
Total (A)				3,889.30		
B.) DOMESTIC						
18.	Gas Genset commissioning	2	10.00	20.00	Green Power International (P) Ltd., Noida, India	May 05, 2010
19.	Generator panels	2	36.00	72.00	Jaksons Limited, Daman, India	December 14, 2009
20.	Chillers installation and gas filling	2	7.10	14.20	HPS Air System, New Delhi	December 15, 2009
21.	Clean room supply and installation	1	337.34	337.34	GMP Technical Solutions, Solan, India	December 16, 2009
22.	Electrical Fitting, supply and installation	1	1,063.00	1,063.00	KMG ATOZ Systems Private Limited, Noida, India	December 16, 2009
23.	HVAC supply, ducting and installation	2	682.00	1,364.00	SRP Enviro Systems Private Limited, New Delhi, India	December 16, 2009
24.	Heat recovery system	2	3.65	7.30	Maxheat Engineering Private Limited Pune, India	December 15, 2009
25.	Cooling tower, components Model No 2CM25	2	9.16	18.32	Mihir Engineers Limited,Gujarat	December 15, 2009
26.	Cooling tower, components Model No CM4	1	1.00	1.00	Mihir Engineers Limited,Gujarat	December 15, 2009
27.	Screw Air Compressor	2	31.04	62.08	Competent Engineers Private Limited , Delhi,India	December 17, 2009
28.	CD air system piping	1	85.00	85.00	Competent Engineers Private Limited,Delhi,India	December 17, 2009
29.	Freight Elevator 2550 KG capacity	2	4.95	9.90	Easa Elevators Private Limited ,India	December 16, 2009
30.	UPS Fittings	2	0.40	0.80	PCI Limited, New Delhi	December 15, 2009
31.	PVC Cables	1	248.09	248.09	Delton Cables Limited, India	December 16, 2009
Sub total				3,303.03		
Freight, insurance & other charges @1.50% (as per management estimates)				49.54		
Provision for Contingencies @7.50% (as per management estimates)				247.73		
Total (B)				3,600.30		
TOTAL (A+B)				**7,489.60**		

None of the machinery described above, is used or second hand in nature, and we do not propose to purchase any used or second hand machinery. We have not yet placed any order for purchase of any of the machinery mentioned above. Our Promoters, Directors or Key Managerial Personnel do not have any interest in the proposed acquisition of the equipment and machineries or in the entities from whom we have obtained quotations for the same.

The total cost for procurement and installation of such additional auxiliary equipments and miscellaneous fixed assets is estimated at Rs. 7,489.60 Lakh, which our Company intends to finance through the Net Proceeds during Fiscals 2011 and 2012.

The actual expenditure incurred for this purpose may vary from the ones indicated above. Further, our estimated completion dates may vary based on the time and cost, or tax or duty implications, involved in actual procurement.

Schedule of implementation

The schedule of implementation of Line 3 is as follows:

S.No	Activity	Estimated date of completion
1	Placement of orders with Schmid for plants and machinery	October 2010
2	Commencement of construction of production hall for housing Line 3	November 2010
3	Placement of orders for auxiliary equipment and miscellaneous fixed assets	December 2010
4	Completion of the construction of Production hall for housing Line 3	February 2011
5	Installation of equipments	June 2011
6	Trial production	September 2011
7	Commercial production	October 2011
8	Factory acceptance test I	November 2011
9	Factory acceptance test II	December 2011

Means of Finance

The total fund requirement for Line 3 as estimated by our Company is Rs. 33,742.80 Lakh. The entire cost of Line 3 is expected to be met from the Net Proceeds. The Net Proceeds will not be utilized towards financing the working capital requirement and the same will be met through tie ups with lenders as and when the requirement arises.

General corporate purpose

Of the Net Proceeds, Rs. 33,742.80 will be utilized towards Line 3 and the balance is proposed to be utilized for general corporate purposes, including but not restricted to strategic initiatives and acquisitions, brand building exercises and strengthening of our marketing capabilities, subject to compliance with the necessary provisions of the Companies Act. Our management, in accordance with the policies of the Board, will have the flexibility in utilizing any surplus amounts.

Issue related Expenses

The details of the estimated Issue related expenses are as follows:

(Rs. Lakh)

Activity	Estimated expenses*	As a % of the total estimated Issue expenses	As a % of the total Issue size
Fees payable to the Book Running Lead Manager	[•]	[•]	[•]
Advertising and marketing expenses	[•]	[•]	[•]
Fees payable to the Registrar	[•]	[•]	[•]
Fees payable to the Bankers to the Issue	[•]	[•]	[•]
Underwriting commission, brokerage and selling commission	[•]	[•]	[•]
Fee payable to SCSB	[•]	[•]	[•]
IPO Grading expense	[•]	[•]	[•]
Others (legal fees, listing fees, printing and stationery expenses etc.)	[•]	[•]	[•]
Total estimated Issue expenses	[•]	[•]	[•]

* *Will be included upon finalization of the Issue Price.*

Appraisal

The Objects have not been appraised by any banks, financial institutions or agency.

Bridge loans

We have not raised any bridge loans against the Net Proceeds.

Interim use of funds

The management of our Company, in accordance with the policies established by our Board from time to time, will have flexibility in deploying the Net Proceeds. Pending utilization for the purposes described above, our Company intends to invest the funds in high quality interest bearing liquid instruments including Mutual Funds, deposits with banks, for the necessary duration or for reducing overdrafts. Such investments would be in accordance with investment policies approved by our Board from time to time. Our Company confirms that, pending utilization of the Net Proceeds, it shall not use the funds for any investments in the equity markets.

Monitoring Utilization of Funds

As required under the listing agreements with the Stock Exchanges, the Audit Committee appointed by our Board will review the utilization of the Net Proceeds. Our Company will disclose the details of the utilization of the Gross Proceeds, including interim use, under a separate head in our financial statements for Fiscals 2011 and 2012, specifying the purpose for which such proceeds have been utilized or otherwise disclosed as per the disclosure requirements of our listing agreements with the Stock Exchanges.

Pursuant to Clause 49 of the listing agreement entered into with the Stock Exchanges, our Company shall on a quarterly basis, disclose to the Audit Committee the uses and applications of the Gross Proceeds as part of our quarterly declaration of results. On an annual basis, our Company shall prepare a statement of funds utilized for purposes other than those stated in this Red Herring Prospectus and place it before the Audit Committee. Such disclosure shall be made only until such time that the Net Proceeds have been utilized in full. The statement shall be certified by the statutory auditors of our Company. Furthermore, in accordance with Clause 43A of the listing agreement entered into with the Stock Exchanges, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement including material deviations if any, in the utilization of the Net Proceeds from the Objects. Further, this information shall be furnished to the Stock Exchanges along with the interim or annual financial results and be published in the newspapers simultaneously, after placing the same before the Audit Committee.

Other confirmations

Except for the payments to be made to Delton Cables Limited for supply of cables to be used in the Line 3, no part of the Gross Proceeds will be paid by our Company as consideration to our Promoters, our Directors, the members of our Promoter Group and Key Managerial Personnel, except in the normal course of our business. No funds have been brought in as Promoters' Contribution, which have been deployed prior to the Issue.

BASIS FOR THE ISSUE PRICE

The Issue Price will be determined by our Company in consultation with the Book Running Lead Manager on the basis of assessment of market demand for the Equity Shares offered by the Book Building Process and on the basis of the following qualitative and quantitative factors. The face value of the Equity Shares is Rs. 10 per share and the Floor Price is 2.9 times of the Face Value and the Cap Price is 3.2 times of the Face Value.

Qualitative Factors

Some of the qualitative factors which form the basis for computing the price are:

- State-of-the-art technologies for manufacturing SPV cells obtained from Schmid;
- Well positioned to receive tax breaks and special incentives from the Government of India;
- Early mover advantage in the domestic SPV cell manufacturing space;
- Committed and experienced promoters with demonstrable track record;
- Research and development initiatives that leverage both third party collaborations and internal resources;

For details of qualitative factors which form the basis of computing the price see the sections titled “Our Business” and “Risk Factors” on pages 56 and xi, respectively.

Quantitative Factors

Information presented in this section is derived from the restated financial statements of our Company. For more details on the financial information, see the section titled “Financial Information” on page F-1.

1. Basic and Diluted Earnings per Share (EPS):

Period	EPS (Basic/Diluted) (Rs. Per Equity Share)	Weight
Fiscal year ended March 31, 2008	(283.80)	-
Fiscal year ended March 31, 2009	(0.67)	-
Fiscal year ended March 31, 2010	(3.32)	-
Weighted Average*	**-**	

**Since the EPS is negative, no weighted average has been computed*

Note:

1. Earnings per share calculations are in accordance with Accounting Standard 20 “Earnings per Share” issued by the Institute of Chartered Accountants of India.
2. The face value of each Equity Share is Rs. 10 per share.

2. Price Earning Ratio (P/E) in relation to the Issue Price of Rs. [●] per Equity Share of Rs. 10 each

S. No.	Particulars	P/E at the lower end of the price band	P/E at the higher end of the price band
	Based on EPS of Rs. (3.32) per Equity Share for the Fiscal 2010	Not Applicable	Not Applicable
	Industry P/E *	Not Applicable	Not Applicable
	Highest	-	
	Lowest	-	
	Industry Composite	-	

**Since there is only one listed company in the Industry highest, lowest and industry composite P/E will not be meaningful*

3. *Return on Net worth (RoNW)*

As per restated financial statements of the Company:

Period	RoNW (%)	Weight
Fiscal ended March 31, 2008*	-	-
Fiscal ended March 31, 2009	(4.73)	-
Fiscal ended March 31, 2010	(46.06)	-
Weighted Average**	**-**	

*not applicable as negative net worth
***Since the RONW is negative, no weighted average has been computed*

4. *Minimum Return on Total Net Worth after Issue needed to maintain Pre-Issue EPS for the Fiscal 2010:*

Minimum RONW required for maintaining pre-Issue EPS for the Fiscal 2010 is [●].

5. *Net Asset Value per Equity Share*

	Amount (Rs. Per share)
NAV as at March 31, 2010	6.90
NAV after the Issue	[●]
Issue Price	[●]

NAV per Share = $\frac{\text{Net worth, as restated, at the end of the year}}{\text{Number of equity share outstanding at the end of the year}}$

The Issue price of Rs. [●] per Equity Share has been determined on the basis of the demand from investors through the Book Building Process and is justified based on the above accounting ratios.

6. *Comparison with other listed companies*

Name of the Company	Face Value (Rs.)	E.P.S (Rs.) for the year ending March 31, 2010	Book Value per share (Rs.) as on March 31, 2010	RONW (%) for Fiscal 2010	P/E Multiple as on March 31, 2010
Websol Energy Systems Ltd	10	13.64	125.39	11.45	4.55
Indosolar Limited*	10.00	(3.32)	6.90	(46.06)	[●]

Source: Capitaline (Industry – Solar Sector)
**Based on restated financial statements*

The Issue Price of Rs. [•] has been determined by our Company, in consultation with the Book Running Lead Managers on the basis of the demand from investors for the Equity Shares through the Book Building Process and is justified based on the above accounting ratios. For further details, see the section titled "Risk Factors" on page xi and the financials of the Company including important profitability and return ratios, as set out in the section titled "Financial Information" on page F-1.

STATEMENT OF TAX BENEFITS

The Board of Directors
Indosolar Limited
3C/1 Ecotech - II, Udyog Vihar
District Gautam Budh Nagar
Greater Noida 201 306
Uttar Pradesh, India

7 June, 2010

Dear Sirs,

Sub: Statement of Tax Benefits

In accordance with the existing provisions of the direct tax laws currently in force in India, the following possible tax benefits may be available to Indosolar Limited (herein after referred to as 'the Company') and to the shareholders of the Company. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the tax laws.

A Benefits available under the Income Tax Act, 1961 to the Company

Special Tax Benefits available to the Company

1) Section 10B of the Income-tax Act, 1961 (hereinafter referred as "the Act") provides deduction in respect of profits and gains derived by hundred percent export oriented undertaking. Deduction under section 10B is available, subject to prescribed conditions, in respect of 100% profits derived from export of articles or things for a period of 10 consecutive assessment years beginning with the year in which the hundred percent export oriented undertaking begins to manufacture or produce such articles or things. However, as per the tax laws currently in force, no deduction under this section shall be allowed to any undertaking for the assessment year 2012-13 and thereafter.

General Tax Benefits available to the Company

2) Income earned by the Company by way of dividend referred to in Section 115O of the Act received from domestic companies is exempt from tax under section 10(34) of the Act.

3) Any income received by the Company from distribution made by any mutual fund specified under section 10(23D) of the Act or from the administrator of the specified undertaking or from the administrator of specified company referred to in Section 10(35) of the Act, is exempt from tax in the hands of the Company under section 10(35) of the Act.

4) Long-term capital gain on sale of equity shares or units of an equity oriented fund will be exempt from tax under section 10(38) of the Act provided that the transaction of such sale is chargeable to securities transaction tax.

5) In accordance with the provisions of section 112 of the Act, long-term capital gains on transfer of capital assets other than bonds or debentures (excluding capital indexed bonds issued by the Government), transfer of which is not subject to securities transaction tax, is chargeable to tax at the rate of 20 % plus applicable surcharge, education cess and secondary & higher education cess (herein after collectively referred to as 'education cess').

   However, if tax on long term capital gains arising on sale of listed securities or unit of mutual fund specified in section 10(23D) of the Act or zero coupon bond, calculated at the rate of 20% with cost indexation benefit exceeds the tax calculated at the rate of 10% without cost indexation benefit, then such gains are chargeable to tax at a concessional rate of 10% (plus applicable surcharge and education cess).

6) Under Section 111A of the Act, short-term capital gain on sale of equity shares or units of an

equity oriented fund shall be chargeable to tax at the rate of 15% (plus applicable surcharge and education cess) provided that transaction of such sale is chargeable to securities transaction tax.

7) According to the provisions of section 54EC of the Act and subject to the conditions specified therein, tax on capital gains arising from the transfer of any long-term capital asset shall not be taxable, provided that the Company has at any time within a period of six months after the date of such transfer, invested the whole of capital gains in any long-term specified asset.

However, if such long-term specified asset is transferred or converted into money within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier shall become chargeable to tax as long term capital gains in the year in which such long-term specified asset is transferred or converted into money. Section 54EC also provides for a ceiling of INR 5 million per financial year on investments in such long term specified asset. Further, if only a portion of capital gains is so invested, then the exemption is available proportionately.

For the purpose of section 54EC, long term specified assets means any bond redeemable after three years and issued by:

i) National Highway Authority of India constituted under section 3 of The National Highway Authority of India Act, 1988; or
ii) Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.

8) Under section 32 of the Act, the Company is entitled to claim depreciation, subject to conditions specified therein, at the prescribed rate on its specified assets used for the business.

9) In accordance with section 32(1)(iia) of the Act, the Company is (subject to certain conditions specified) also eligible to claim additional depreciation at the rate of 20% on cost of new plant and machinery (other than ships and aircraft) acquired and installed after 31 March 2005. The additional depreciation is available in the year of installation.

10) The Company will be entitled to amortize preliminary expenditure, being expenditure incurred on public issue of shares, under section 35D(2)(c)(iv) of the Act, subject to the limit specified in section 35D(3).

11) According to the provisions of section 115JAA(1A) of the Act, credit is allowed in respect of any Minimum Alternate Tax ('MAT') paid under section 115JB of the Act for any assessment year commencing on or after April 1, 2006. Tax credit which can be carried forward is equal to the difference between MAT paid by the Company for one assessment year and tax computed as per normal provisions of the Act for that assessment year. MAT credit can be carried forward for the purpose of set off up to 7 years (10 years with effect from assessment year 2010-2011) succeeding the year in which the MAT credit is allowable.

B General Tax Benefits available under the Act to Shareholders of the Company

I Benefits available to all Shareholders

1 According to the provisions of section 10(34) of the Act, any income by way of dividends referred to in section 115-O (i.e. dividends declared, distributed or paid on or after 1 April 2003 by a domestic company) received on shares of the Company is exempt from tax.

2 Capital gains arising on transfer of long-term capital assets, being equity shares in a company, on which securities transaction tax is paid, is exempt under section 10(38) of the Act whereas short-term capital gains arising from similar transaction shall be subject to tax under section 111A of the Act at the rate of 15% (plus applicable surcharge and education cess).

3 The benefit of exemption from tax under section 10(38) of the Act on long-term capital gains will not be available where no securities transaction tax is paid. In such cases, long-term capital gains on sale or transfer of listed securities would be chargeable to tax at the rate of 20% (plus

applicable surcharge and education cess) or at a concessional rate of 10% without considering cost indexation benefit in accordance with the provisions of section 112 of the Act.

4 As per section 54EC of the Act, subject to the conditions specified therein, tax on capital gains arising from transfer of long-term capital asset shall not be taxable, provided that the Shareholder has at any time, within a period of six months from the date of transfer, invested the whole of capital gains in any specified long-term asset. However, if such long-term asset is transferred or converted into money within a period of three years from the date of its acquisition, amount of capital gains exempted earlier shall become chargeable to tax as long term capital gains in the year in which such long-term asset is transferred or converted into money. Section 54EC also provides for a ceiling of INR 5 million per financial year on investments in such long-term specified asset. Where the whole of capital gains is not invested in long term specified asset, then exemption would be proportional to the amount of capital gains invested in long term specified asset.

For the purpose of section 54EC, long term specified assets referred to herein above means any bond redeemable after three years and issued by:

i) National Highway Authority of India constituted under section 3 of The National Highway Authority of India Act, 1988;
ii) Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956.

5 According to the provisions of section 54F of the Act and subject to the conditions specified therein, long-term capital gains arising to an individual or a Hindu undivided family on transfer of long-term capital asset other than residential house shall not be chargeable to tax, provided that the net consideration is utilized for either of the following

i) Purchase of a residential house within a period of one year before or two years after the date of transfer of such long term capital assets; or
ii) Construction of a residential house within a period of three years after the date of transfer of the long-term capital asset.

Further, if only a portion of the net consideration is so invested, then the exemption is available proportionately. However, if the residential house in which investment is made is transferred within a period of three years from the date of its purchase or construction, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which such residential house is transferred.

6 As per section 74 of the Act, short term capital loss suffered during the year is allowed to be set-off against short-term capital gains as well as long term capital gains of the same year. Balance loss, if any, can be carried forward for eight years for claiming set-off against subsequent years' short term as well as long-term capital gains of subsequent years. Long-term capital loss suffered during the year is allowed to be set-off against long-term capital gains. Balance loss, if any, can be carried forward and set-off against long-term capital gains only.

7 As per provisions of section 36(xv) of the Act, where income of a Shareholder chargeable to tax under the head 'profits and gains from business and profession' includes income from sale of securities which is liable to securities transaction tax, then the Shareholder can claim deduction of sum paid on account of securities transaction tax while computing its taxable income.

Special tax benefits

There are no special tax benefits available to the shareholders of the Company.

II Benefits available to Non - Resident Indian Shareholders

In addition to the above, Non-Resident Indian [as defined in Section 115C(e) of the Act] shareholders ('NRIs') who have subscribed to shares in an Indian company in convertible foreign exchange, can exercise the option of being governed by the provisions of Chapter XII-A of the Act, which inter alia entitles them to the following benefits:

1 In accordance with and subject to the provisions of section 115D read with section 115E of the Act, long term capital gains arising on transfer of shares in an Indian company acquired out of convertible foreign exchange, are taxable at the rate of 10% (plus applicable surcharge and education cess). Cost indexation benefit will not be available in this case. Further, income from investment or income from long term capital gains from transfer of an asset other than shares in an Indian company will be chargeable to tax at the rate of 20%.

2 In accordance with and subject to the provisions of section 115F of the Act, long term capital gains arising on sale of shares in an Indian company held by a NRI shareholder and purchased out of convertible foreign exchange shall not be chargeable to income tax, if the entire net consideration is invested for a period of three years in any savings certificates specified under section 10(4B) or specified assets as defined in section 115C(f) (which includes shares, debentures, deposits of Indian Company and other prescribed securities/ assets) of the Act. In case the whole of sales consideration is not invested in prescribed savings certificates or specified assets, proportionate capital gains would be liable to tax.

Such exemption is available provided investment in savings certificates/ specified assets are made within a period of six months from the date of transfer of shares. However, if such savings certificates or specified assets are transferred or converted (otherwise than by way of transfer) into money within three years from the date of acquisition, the amount so exempted will be chargeable to tax under the head 'Capital Gains' in the year when such assets/ certificates are transferred.

3 As per section 115G of the Act, NRI Shareholder would not be required to file a return of income under section 139(1) of the Act, where the total income consists only of investment income and/or long-term capital gains as defined under section 115C of the Act and tax deductible at source has been deducted from such income as per provisions of Chapter XVIIB of the Act.

4 According to the provisions of section 115H of the Act, where, subsequently, NRI shareholder is assessable as a resident in India, he may furnish a declaration in writing to the assessing officer, along with his return of income for that year filed under section 139 of the Act, to the effect that the provisions of the Chapter XII-A shall continue to apply to him in relation to such investment income derived from specified assets for that year and subsequent assessment years until such assets are converted into money. However, this option is not available in respect of shares in an Indian company.

5 As per the provision of section 115I of Act, NRI Shareholder may elect not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing his return of income for that assessment year under section 139 of the Act, declaring therein that the provisions of Chapter XII-A shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance with the other provisions of the Act.

Special tax benefits

There are no special tax benefits available to the non – resident shareholders of the Company.

III Benefits available to Foreign Institutional Investors ('FIIs')

1 Capital gains arising in the hands of FIIs on sale of shares are governed by Section 115AD of the Act. According to the provisions of section 115AD of the Act, long-term capital gains arising on transfer of shares held by FIIs are taxable at the rate of 10% (plus applicable surcharge and education cess). Short term capital gains on transfer of shares are taxable at the rate of 15% (plus applicable surcharge and education cess) provided that the transaction is subject to levy of securities transaction tax. In other cases, capital gains would be liable to tax at 30% (plus applicable surcharge and education cess). Cost indexation benefits are not available to FIIs. Further, the provisions of the first proviso of section 48 of the Act will not apply.

2 In accordance with and subject to the provisions of section 115AD read with section 196D(2) of the Act, no deduction of tax at source is applicable on payment in respect of capital gains arising to a FII from the transfer of the equity shares in an Indian company.

In the case of all non-resident shareholders, the aforesaid tax rates are subject to the benefits, if any, available under the double taxation avoidance agreements signed by India with the country of which the non-resident shareholder may be a tax resident, subject to fulfillment of conditions prescribed there under.

Special tax benefits

There are no special tax benefits available to Foreign Institutional Investors.

IV Benefits available to Mutual Funds

Section 10(23D) of the Act provides that income of a mutual fund registered under the Securities and Exchange Board of India Act, 1992 or such other fund set up by a public sector bank or a public financial institution or mutual fund authorized by the Reserve Bank of India subject to conditions prescribed by the Central Government, is exempt from tax.

C Benefits under the Wealth Tax Act, 1957

Shares in an Indian company are excluded from the definition of 'asset' as defined in section 2(ea) of the Wealth Tax Act, 1957. Accordingly, shares of the Company are not liable to wealth tax in the hands of the shareholders.

D Gift Tax

Gift tax is not leviable in respect of any gifts made on or after October 1, 1998. Therefore, gift of shares will not attract gift tax in the hands of the shareholders.

Notes:

1 The information provided above sets out the possible tax benefits available to the Company and its shareholders under the prevailing tax laws of India. Several of these benefits are dependent on the Company and its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company and its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company may or may not choose to fulfill.

2 The benefits discussed above are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice.

3 In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in this issue and we are absolved of any liability to the shareholder for placing reliance upon the contents of this material.

for **B S R and Associates**
Chartered Accountants

Vikram Advani
Partner
Membership no: 091765
Place: Gurgaon
Date: 7 June, 2010

SECTION IV – ABOUT THE COMPANY

INDUSTRY OVERVIEW

*Unless otherwise mentioned, the information in this section has been obtained from publicly available sources, including the websites of the GoI and its various ministries viewed as on July 31, 2010. The industry sources cited herein include the following reports published by Solarbuzz LLC ("**Solarbuzz**"): (i)the "Marketbuzz 2010, (ii) the "Marketbuzz 2009; and (iii) "Solarbuzz Quarterly - Third Quarter 2009 Report". This data has not been prepared or independently verified by us or the Book Running Lead Manager or any of its respective affiliates or advisors. Such data involves risks, uncertainties and numerous assumptions and is subject to changes based on various factors, including those discussed in the section titled "Risk Factors". Accordingly, such information should not be relied upon for making investment decisions.*

Global scenario for solar power

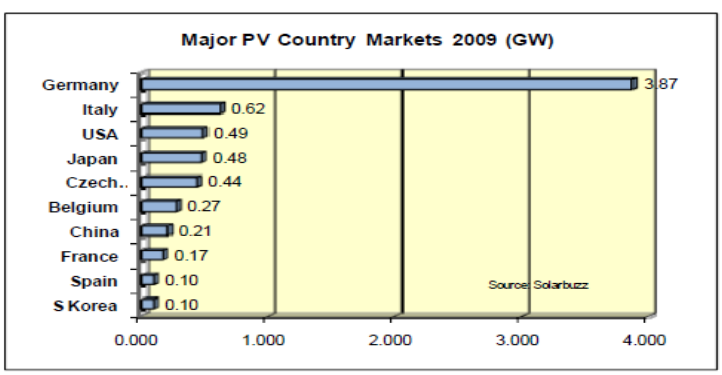
Solar power world wide has become a popular resource for renewable energy. The increase in its popularity is reflected by the increase in total annual production of crystalline silicon cells and thin film PV cells to a consolidated level of 7.30 GW in 2009, five times the level in 2005.. Demand from countries such as Spain, Germany, South Korea, Italy and United States was, to a great extent responsible for the spectacular growth. In 2009, there were ten markets delivering more than 100 MW of market demand, with Germany alone accounting for 53% of the world market.

Nearly four years of the global solar photovoltaic industry growth, limited only by supply capability, came to an end in the fourth quarter of 2008. For an industry whose end-market is to a great extent dependent on government incentives, changes in government policy in Spain coupled with the global economic turndown, which shut down financing options, the key to large project driven market segments, caused this interruption is the growth momentum. The inevitable consequence was factory-gate price mayhem as they fell 38%, comparing the average 2008 and 2009 levels.

In 1H 2009 the PV industry had to come to terms with the almost complete collapse of the Spanish market, a market that in 2008 had represented 40% of global demand. In 2H 2009, prices eventually reached a point where demand took off helped by an improving global economy and the return of "the bankers" to provide the critical financing. When the customers or investors returned, they did so almost as abruptly as they had departed the scene in fourth quarter 2008. By mid-2009, other factors had also started to come into play, especially worries about reduction in incentive tariffs in Germany under a new government. German demand started to soar, and was joined by markets such as Italy, the Czech Republic, Belgium, Japan, the USA, and China.

Market Demand

In 2009, the world PV market increased to 7.30 GW from 6.08 GW in 2008, growth of 20% over the year, compared to 115% growth in the previous year. Annual growth has now averaged a compound rate of 50% since 2005.. The graph given below reflects major PV markets and their market size in 2009.



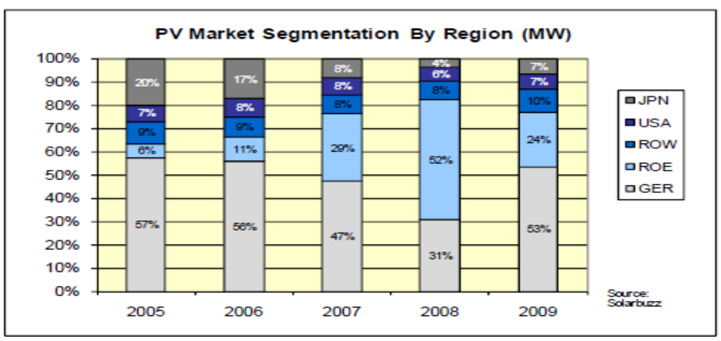
Spain had taken over leadership from Germany as the largest PV market in 2008, reaching a market size of 2.46 GW having grown by 285.00%. Germany regained leadership from Spain as the largest PV market in 2009, reaching a market size of 3.87 GW, having grown by 109%. Germany alone accounted for 53% of global market demand in 2009. Excluding Germany the rest of the global market fell from 4.22 GW in 2008 to 3.43 GW in 2009, a decline of 19%, but this was largely a result of the fall off in Spain. If Germany and Spain are excluded, the rest of the global market grew strongly by 89% from 1.76 GW in 2008 to 3.33 GW in 2009. Italy was the second largest market at 0.62 GW followed by the USA at 0.49 GW and Japan at 0.48 GW.

The on-grid segment was 1.26 GW, 1.55 GW, 2.63 GW and 5.85 GW in 2005, 2006, 2007 and 2008 respectively. In 2009, the worldwide on-grid segment grew by 20% to 7.01 GW. The off-grid segment was 0.20 GW, 0.19 GW, 0.20 GW and 0.23 GW in 2005, 2006, 2007 and 2008 respectively. Off-grid market growth of 23% to 285 MW worldwide provided this segment with growth at a faster rate than on-grid for the first time in fifteen years. Cumulative global PV installations reached 23.1 GW at the end of 2009, representing 46% growth over cumulative installations at the end of 2008.

In a scenario (viz. green world scenario) which assumes an improved economic environment, together with aggressive PV-friendly government policies is combined with disciplined manufacturing capacity build out it is expected that the world PV market demand will increase from 7.3 GW in 2009 to 24.7 GW in 2014.

GREEN WORLD SCENARIO	2009	2010	2011	2012	2013	2014
DEMAND						
World Market (GW)	7.3	9.7	11.5	14.7	19.0	24.7

The regional distribution of market in terms of megawatt from 2005 to 2009 is shown in the graph below:



Germany retained its leadership in terms of cumulative PV capacity at the end of 2009 with 43% share. Cumulative global PV installations reached 23.1 GW at the end of 2009, representing 46% growth over cumulative installations at the end of 2008.

Solar PV Supply Position

The pattern of average manufacturing capacity through the crystalline silicon chain changed significantly in 2009, with the sharpest increase for poly-silicon. This reflected the industry's response to poly-silicon shortages in the immediately preceding years. The average manufacturing capacity of poly-silicon available to the PV industry rose by 113% in giga-Watt terms in 2009 to reach a level equivalent to 14.14 GW of crystalline silicon solar cells. This includes newly produced poly-silicon, reject and recycled silicon, and silicon re-sold to the solar industry from semiconductor sources. Average wafering capacity grew to 10.45 GW (up 61%), average cell capacity to 14.08 GW (up 63%) and average module capacity to 16.84 GW (up 81%) as shown in the figure above.

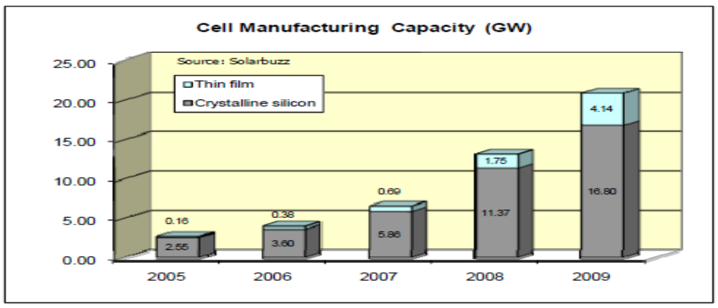
Solar Wafer Manufacturing Capacity

Global crystalline silicon wafer manufacturing capacity reached 12.70 GW at the end of 2009, an increase of 53%. Almost two-thirds of the world's wafer manufacturing capacity was located in China and Taiwan at the end of 2009, up from 59% in 2008. Wafer manufacturing capacity in Europe remained at 19% share, and in Japan, it fell from 14% to 9%.

Solar Cell Capacity

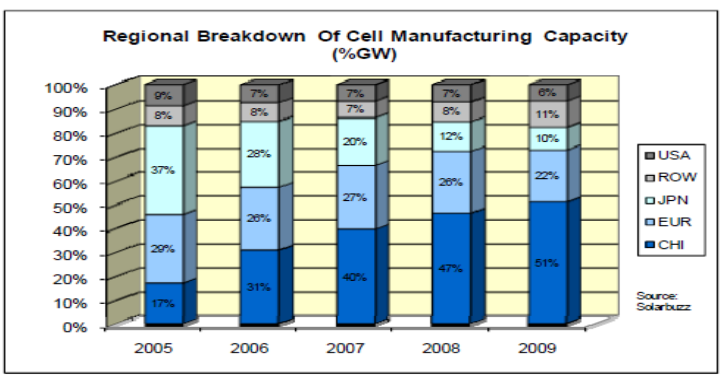
Global crystalline silicon cell capacity reached 16.80 GW at the end of 2009, an increase of 48%, while global thin film PV capacity grew by 136% to 4.14 GW. It should be noted that cell manufacturing capacity data has been overviewed down by an average of 24%, allocated differently according to regional origin and technology.

Crystalline silicon cell manufacturing capacity has grown at a compound rate of 60% per annum over the last five years, compared to 124% for thin film PV. By the end of 2009, thin film PV represented 19.8% of global production capacity, up from 13.3% in 2008.



Distribution by Region

A regional distribution of cell manufacturing capacity over 2005 to 2009 is given below:



Japan's share of global cell manufacturing capacity has fallen to a new low of 10% in 2009 from 12% in 2008, down from 37% in 2005. Japan's relative decline, in percentage terms, has resulted from the faster growth of cell producers in China and Taiwan, whose share grew to 51% in 2009 from 47% in 2008. In 2004, China and Taiwan accounted for just 17% of global cell manufacturing capacity.

Cell producers in Europe fell back to 22% share in 2009 from 26% in 2008, while those in the Rest of World slightly gained to 8% and 11%. The USA sustained its decline in share to 6% in 2009, but from a level of only 9% back in 2005.

Prices through the PV Business Chain

The spot price collapse in poly-silicon that began in May 2008 from a high point of $450-475/kg, had reached a range of $150-200/kg by the beginning of 2009. By 2009 year end, most poly-silicon spot pricing had drifted into the $55-60/kg range with the larger established suppliers being at the high end.

Early in 2009, contract wafer prices fell below the $2/W level with spot prices falling to the $1.60-1.80/W range in February 2009. By third quarter 2009, long-term wafer prices had dropped to $0.80/W, with short-term prices at $0.85/W and spot price 5 cents higher, with prices still drifting lower in the final quarter of the year.

Global PV Chain Financial Transactions

Notwithstanding the intensity in the credit market collapse by fourth quarter 2008, the PV industry chain raised between $13.5bn and $14.5bn in 2009, a new record for a single year.

Major PV Markets

Germany

The German PV market grew by 109% to 3870 MW in 2009 from 1855 MW in 2008. The growth rate in 2008 had been 40%.

Table 2.1 German PV Market (MW) 2005-2009

Year	2005	2006	2007	2008	2009
MW	837	968	1328	1855	3870

Despite the decrease in feed-in tariffs of between 9% and 11% at the beginning of 2009, the German market again showed strong growth. Germany benefited from its status as the most mature and stable market in Europe, making it the preferred market for many banks and investors, as they became much more risk averse in 2009.

Italy

The Italian market grew by 72% to 620 MW in 2009 from 360 MW in 2008. The Italian market growth profits from a combination of a generous funding level and excellent insolation conditions

United States

In 2009, the US market growth slowed significantly compared to the prior year. The overall US PV market was up 36% - from 357 MW in new installations in 2008 to 485 MW in 2009. Within this total, grid-connected PV demand grew to 453 MW, now accounting for 93% of the overall US market.

Table 2.18 United States Market Size (MW) 2005–2009

US Market Segments	2005	2006	2007	2008	2009
On-Grid	80	112	190	324	453
Off-Grid	25	28	30	33	32
Total	**105**	**140**	**220**	**357**	**485**

Japan

For the first time in three years, the Japanese market showed a significant increase in 2009. The domestic market more than doubled in 2009 to 477 MW as a result of the re-launch of a nationwide residential incentive program and the introduction of a Japanese version of a Feed-In Tariff (FIT) during the year. A cumulative capacity of over 2.7 GW of PV had been installed in Japan by the end of 2009, predominantly on residential homes.

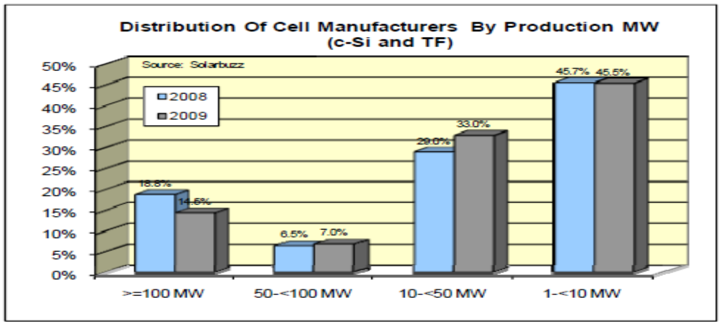
Table 2.19 Japan Market Size (MW) 2005-2009

Year	2005	2006	2007	2008	2009
MW	292	300	230	230	477

Leading Cell Manufacturers

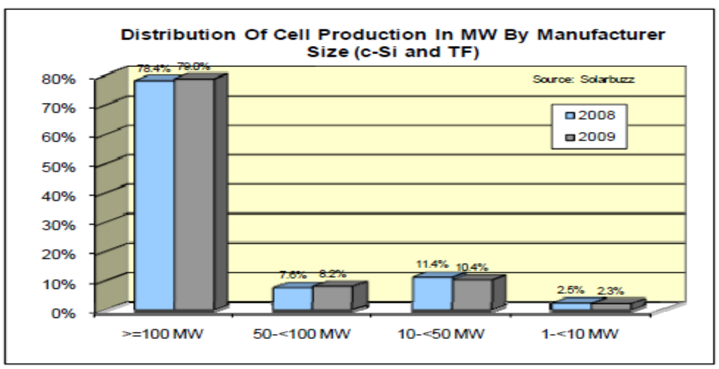
The following figures show an analysis of the distribution of cell manufacturing companies (crystalline silicon and thin film) according to their production volume and by size in megawatt for 2008-2009.

I. According to the production volume



Companies producing at a scale of 100 MW and above in 2009 represented 14.5% of the total number of manufacturers but constituted 79% of the total production volume in megawatt.

II. According to the size



The top ten producers accounted for 49% of total production (un-overviewed) in 2009 compared to 48% in 2008.

Overview of power industry in India

The low per-capita consumption of electric power in India compared to the world average presents a significant potential for sustainable growth in the demand for electric power in India. According to the 17th Electric Power Survey, May 2007, India's peak demand is expected to grow at a CAGR of 7.6% over a period of 10 years (FY2007 to FY2017) and would require a generating capacity of 300,000 MW by 2017 to cater to this demand compared to an installed capacity of 132,329 MW as on March 31, 2007.

Historically, India has experienced shortages in energy and peak power requirements. Energy deficit averaged 8.9% and the peak power deficit averaged 12.8% during Fiscal 2003 to Fiscal 2009. According to the CEA Monthly Power Sector Report for October 2009 (the "**CEA October 2009 Report**"), the total energy deficit and peak power deficit from April 2009 to October 2009 was approximately 9.4% and 12.1%, respectively.

The shortages in energy and peak power have been primarily due to the slow pace of capacity addition. During the 10th Plan period (Fiscal 2002 to Fiscal 2007), capacity addition achieved compared to target capacity addition was 51.5%. During the 11th Plan period (Fiscal 2008 to Fiscal 2012), capacity addition achieved was 9,263.0 MW or 56.7% of the target capacity addition of 16,335.2 MW in Fiscal

2008, while in Fiscal 2009, capacity addition achieved was 3,453.7 MW, or 31.2% of the target capacity addition of 11,061.2 MW. According to the CEA October 2009 Report, as on October 31, 2009, the total installed power generation capacity in India was 153,694.09 MW.

The GoI has recognized the power sector as a key infrastructure sector to be developed to sustain Indian economic growth and has taken various steps to reform the power sector to attract private participation, increase competition and reduce aggregate technical and commercial losses.

Given significant supply deficits, high growth potential and conducive government policy, a large opportunity exists for private players to enter the electric power segment.

Overview of solar power industry in India

The growth of solar power generation in India has been preceded by a favorable policy regime. India is both densely populated and has high solar insolation providing an ideal combination for solar power. India with its diverse geography consisting of densely populated cities and villages which are yet to be electrified is positioned to make in-roads into both grid based and non-grid based (or roof-top) solar applications. Dr. Farooq Abdullah, Union Minister for New and Renewable Energy has already expressed intention to use renewable energy to bring electricity to every village of Jammu and Kashmir.

The policy roadmap required to promote the growth of solar power industry in India, the "Jawaharlal Nehru National Solar Mission" (the "**Solar Mission**") was approved by the GoI on November 19, 2009. The Solar Mission is a major initiative of the GoI and the state governments to promote ecologically sustainable growth while addressing India's energy security challenge.

In launching India's National Action Plan on Climate Change, the Prime Minister of India, Mr. Manmohan Singh stressed on the importance of sun as an energy source to power our economy. The National Action Plan on Climate Change also points out: "India is a tropical country, where sunshine is available for longer hours per day and in great intensity. Solar energy, therefore, has great potential as future energy source. It also has the advantage of permitting the decentralized distribution of energy, thereby empowering people at the grassroot levels."

In 2008, India's solar PV market witnessed 20% growth to reach 36 MW in annual installations. Despite only modest growth from 2007, there are indications that this could indeed be a precursor for far stronger growth in the years to come, led by large ground mounted on-grid installations.

In 2008, the majority of India's solar market remained in the off-grid segments, led by widespread rural electrification programs, street lighting and remote banking/ATM projects, as well as industrial applications such as solar-powered telecom base stations, railway signaling and defence monitoring in border areas. Growth in the off-grid sector was not just witnessed in India's rural countryside, but also in urban areas, with increasing sales of solar stand-alone systems providing an alternative to diesel generators to back up the unstable and unreliable grid.

Jawaharlal Nehru National Solar Mission ("JNNSM")

The objective of the Solar Mission is to establish India as a global leader in solar energy, by creating the policy conditions for its diffusion across the country as quickly as possible. The Solar Mission will adopt a three phase approach, spanning the remaining period of the 11^{th} Plan and first year of the 12^{th} Plan (i.e., up to 2012-2013) as Phase 1, the remaining 4 years of the 12th Plan (i.e., 2013-2017) as Phase 2 and the 13^{th} Plan (2017-2022) as Phase 3. At the end of each plan, and mid-term during the 12^{th} and 13^{th} Plans, there will be an evaluation of progress, review of capacity and targets for subsequent phases, based on emerging cost and technology trends, both domestic and global. The aim would be to protect Government from subsidy exposure in case expected cost reduction does not materialize or is more rapid than expected.

To achieve this, the Mission targets are:

1. To create an enabling policy framework for the deployment of 20,000 MW of solar power by 2022;

2. To ramp up capacity of grid-connected solar power generation to 1,000 MW within three years – by 2013, an additional 3000 MW by 2017 through the mandatory use of the renewable purchase obligation by utilities backed with a preferential tariff;

3. To create favourable conditions for solar manufacturing capability, particularly solar thermal for indigenous production and market leadership;

4. To promote programmes for off grid applications, reaching 1,000 MW by 2017 and 2,000 MW by 2022;

5. To achieve 15 million square meters solar thermal collector area by 2017 and 20 million by 2022; and

6. To deploy 20 million solar lighting systems for rural areas by 2022.

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Source: The Jawaharlal Nehru National Solar Mission; available at mnes.nic.in/pdf/mission-document-JNNSM.pdf as on July 31, 2010.

One of the strategies to achieve these targets will be to innovate, expand and disseminate manufacturing capabilities. Currently, the bulk of India's Solar PV industry is dependent on imports of critical raw materials and components – including silicon wafers. Transforming India into a solar energy hub would include a leadership role in low-cost, high quality solar manufacturing, including balance of system components. Proactive implementation of the "Special Incentive Package Scheme" of 2007 notified by the Government of India, to promote PV manufacturing plants, including domestic manufacture of silicon material, would be necessary. The Special Incentive Package Scheme provides for 25% of the eligible cost as capital subsidy. Ajay Shankar Committee was set up to recommend a policy framework under JNNSM to encourage domestic production of raw materials and components required for expanding the domestic industrial base. The committee has mandated that for Phase I of the JNNSM, all deployment in grid connected solar power be done using both cells and modules manufactured in India. The will further promote PV manufacturing plants in India.

Importance and relevance of solar energy in India

Cost**:** The objective of the Solar Mission is to create conditions, through rapid scale up of capacity and technological innovation to drive down costs towards grid parity. The mission anticipates achieving grid parity by 2022 and parity with coal based thermal power by 2030.

Scalability**:** India is endowed with vast solar energy potential. About 5,000 trillion kWh per year energy is incident over India's land area with most parts receiving 4-7 kWh per square meters per day. Hence, both technology routes for conversion of solar readiation into heat and electricity, namely solar thermal and solar photo-voltaic can effectively be harnessed providing huge scalability for solar in India.

Environmental Impact**:** Solar Energy is environmentally friendly as it has zero emissions while generating electricity or heat.

Security of Source**:** From an energy security perspective, solar is the most secure of all sources, since it is abundantly available. Theoretically, a small fraction of the total incident solar energy (if captured effectively) can meet the entire country's power requirements.

The Solar Mission talks about a multi-pronged strategy to meet the objectives laid down therein. The key components of the strategy include:

Utility Connected applications: Constructing the solar grid: The key driver promoting solar power would be through a "renewable purchase obligation" mandated by power utilities with a specific solar component. This will drive utility scale power generation, whether solar PV or solar thermal. The solar purchase obligation will be gradually increased while the tariff fixed for "solar purchase" will decline over time.

***The below 80º C Challenge – solar collectors*:**

The Solar Mission in its first two phases will promote solar heating systems. The mission is setting an ambitious target for ensuring that applications, domestic and industrial, below 80º C are made solar enabled.

The off-grid opportunity:

A key opportunity for solar power lies in decentralized and off-grid applications. In remote and far-flung areas where grid penetration is neither feasible nor cost effective, solar energy applications are cost-effective. They ensure that people with no access, currently, to light and power, move directly to solar, leap-frogging the fossil fuel trajectory of growth. The mission plans to provide solar lighting systems under the ongoing remote village electrification programme of the MNRE to cover about 10,000 villages and hamlets.

Solar energy to power computers to assist learning in schools hostels, management information systems to assist better management of forests in the state of Madhya Pradesh, powering milk chilling plants in Gujarat, empowering women 'self help groups' involved in '*tussar*' reeling in Jharkhand, cold chain management for 'primary health centres' are some examples of new areas, being tried successfully in the country.

***Manufacturing capabilities: Innovate, expand and disseminate*:** Currently, the bulk of India's solar PV industry is dependent on imports of critical raw materials and components – including silicon wafers. Transforming India into a solar energy hub would include a leadership role in low-cost, high quality solar manufacturing, including balance of system components. Proactive implementation of 'Special Incentive Package Policy' to promote PV manufacturing plants, including domestic manufacture of silicon material would be necessary.

R&D for Solar India:

To improve efficiencies in existing materials, devices and applications and on reducing costs of balance of systems and to develop cost effective storage technologies which would address both viability and storage constraints.

***Proposed Roadmap*:**

S. No.	Application Segment	Target for Phase I (2010-13)	Target for Phase II (2013-17)	Target for Phase III (2017-22)
1	Solar collectors (million square meters)	7	15	20
2.	Off-grid solar applications (MW)	200	1,000	2,000
3.	Utility grid power, including roof-top	1,000-2,000	4,000-10,000	20,000

Source: Jawaharlal Nehru National Solar Mission; available at mnes.nic.in/pdf/mission-document-JNNSM.pdf, as on April 30, 2010.

The National Tariff Policy, 2006 would be modified to mandate that the state electricity regulators fix a percentage for purchase of solar power. The solar power purchase obligation for states may start with 0.25% in the Phase I and to go up to 3% by 2022.

The Central Electricity Regulatory Commission ("**CERC**") has recently issued guidelines for fixing feed-in-tariff for purchase of solar power taking into account current cost and technology trends. These will be revised on an annual basis. The CERC has also stipulated that the power purchase agreement ("**PPA**") that utilities will conclude with the solar power promoters, should be for a period of 25 years.

In order to enable the early launch of "Solar India" and encourage rapid scale up, a scheme is being introduced in cooperation with the Ministry of Power, NTPC Limited and the Central Electricity Authority, which would simplify the off-take of solar power and minimize the financial burden on government. Under the Solar Mission, a normative 'generation based' incentive will be payable to the utility and would be derived as the difference between the solar tariff determined by the CERC for the concerned solar generation technology less an assumed base price of Rs. 5.50/ kWh with 3% annual escalation. Funds will be disbursed through the Indian Renewable Energy Development Agency, a public sector undertaking under the MNRE. State governments would also be encouraged to promote and establish ‘solar generation parks’ with dedicated infrastructure for setting up utility scale plants to ensure ease of capacity creation.

It is also recommended the custom duties and excise duties concessions/ exemptions be made available on specific capital equipment, critical materials, components and project imports.

One of the objectives of the Solar Mission is to take a global leadership role in solar manufacturing (across the value chain) of leading solar technologies and target a 4-5 GW equivalent of installed capacity by 2020, including setting up of dedicated manufacturing capacitites for poly silicon material to annually make about 2 GW capacity of solar cells. India already has PV module manufacturing capacity of about 700 MW which is expected to increase in the next few years.

To ensure the achievement of the installed capacity target the mission recommends the following:

- Local demand creation
- Financing and incentives like:
    - Zero import duty
    - Low interest rate,
    - Priority sector lending
    - Incentives under the Special Incentive Package Policy
    - Components to cover under Bureau of Energy Efficiency to ensure high standards
- Ease of doing business
- Infrastructure and ecosystem enablers

Financing of the Solar Mission activities will be done through:

- Budgetary support for the activities under the National Mission established under the MNRE;
- International funds under the UNFCCC framework, which would enable up-scaling of the Solar Mission targets.

CERC Policy for Solar Farms

On September 16, 2009, CERC came out with the Central Electricity Regulatory Commission (Terms and Conditions for Tariff Determination from Renewable Energy Sources) Regulations, 2009 (the “**CERC Tariff Regulations**”).

The CERC Tariff Regulations lay down the normative parameters for determination of tariff for renewable energy sources. The key features of the CERC Tariff Regulations from solar PV perspective are:

- The tariff period for solar PV defined as 25 years;
- Normative debt-equity ratio of 70:30;
- Normative return on equity (“**RoE**”):

- Pre-tax 19% p.a for first 10 years; and
- Pre-tax 24% p.a 11th year onwards.

A 25 year firm PPA with attractive RoE is expected to make the solar farm business in India lucrative to many players and give the industry the growth that the Solar Mission proposes to give. As per the template form for Solar (PV), the leveled tariff at 1700 lacs. /MW for Solar PV based on normative numbers laid in the regulation works out to Rs. 18.44/ kWh.

Our View

With a favorable policy framework laid down and the Prime Minister himself laying out the importance of sun in powering India's economy and meeting energy security requirements, we believe that India is positioned for rapid growth in all the segments of the solar/PV industry value chain, and will increasingly become an important and high growth market for both on-grid and off-grid applications. With the low cost and educated English speaking manpower, India is also well placed to take up a bigger role in solar cell and module manufacturing businesses. We look at India as an extremely important market and we believe that over the years, an increasing share of our produce will be sold in India.

OUR BUSINESS

The information in this section is qualified in its entirety by, and should be read together with, the more detailed financial and other information included in this Red Herring Prospectus, including the information contained in the sections titled "Industry Overview", "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 46, xi and 117, respectively. In this section, descriptions of contracts and agreements are not, nor do they purport to be complete summaries of all terms or terms customarily found in such contracts and agreements. We have recently undergone a restructuring exercise. For details in relation to the restructuring exercise, see the section titled "History and Certain Corporate Matters" on page 90.

Overview

We manufacture poly-crystalline solar photo-voltaic ("**SPV**") cells from silicon wafers utilizing crystalline silicon SPV cell technology for converting sunlight directly into electricity through a process known as the "photo-voltaic effect". We market and sell our products to primarily module manufacturers on a business-to-business ("**B2B**") platform, who in turn supply to the system integrators who install the systems for grid and off-grid (roof top) applications for use in the domestic market as well as markets in Europe, Spain, Japan, Asia, Canada and USA.

Our ability to procure poly-silicon wafers at low cost and expand our customer base is critical to our business. Economies of scale, ability to enhance operational and SPV cell efficiency and pricing strategy are the other fundamental enablers in our business.

We commenced work for setting up of our SPV cell manufacturing facility in Greater Noida in January 2008. We have established two SPV cell manufacturing lines having an aggregate annual manufacturing capacity of 160 MW. We commenced commercial production of SPV cells in July 2009 with one manufacturing line having an annual manufacturing capacity of 80 MW. The second manufacturing line having an equal capacity commenced commercial production in March 2010. In order to prepare for an increase in demand for SPV products in the future and to enhance scale to a competitive level, we plan to increase our annual manufacturing capacity to approximately 260 MW by 2011, with one additional manufacturing line of annual manufacturing capacity of 100 MW.

We use a fully automated horizontal in-line, state-of-the-art technology for manufacture of SPV cells which offer high average efficiency levels of up to 16.15%. We have entered into arrangements with Schmid Technology Systems GmbH ("**Schmid**"), one of the operators in SPV cell manufacturing technology and a vertically integrated player in the SPV cell industry, for delivery, installation and commissioning of the plant and machinery at our facility, on a turnkey basis. As part of our manufacturing capacity expansion plans, we propose to install 'selective emitter' technology in one of our SPV manufacturing lines to be commissioned by our turnkey provider, Schmid. 'Selective emitter' technology will give capability to produce improved SPV cells of higher average efficiency up to 17.20%. Our research and development team comprising three solar photo-voltaic and semi conductor researchers and scientists focuses on continually enhancing our SPV cell Conversion Efficiencies and improving our manufacturing operations.

Our management believes that it is preferable to follow a flexible mix vis-à-vis long term and spot market for procurement of silicon wafers, in conjunction with market trends. We are currently negotiating silicon supply contracts with certain suppliers to meet our current manufacturing capacity of 160 MW and sufficient inventory levels in the future, with prices linked to those prevailing in the spot market. Other raw materials such as chemicals, silver and aluminium pastes are also procured from various suppliers at the prevailing market prices.

Our Company is one of the few companies selected by the Government of India for grant of financial incentives under the "Special Incentive Package Scheme" of 2007 notified by the Government of India. We have been granted an in-principle approval on June 1, 2009 by Ministry of Communication and Information Technology, Government of India and have applied for formal approval on March 31, 2010. Our manufacturing facility at Greater Noida has been granted the status as an 'Export Oriented Unit' under the Foreign Trade Policy 2009-2014 of the Government of India pursuant to which we enjoy certain benefits, including free importability and entitlement to avail of certain direct and indirect tax exemptions.

Strengthening of our brand name and expansion of our customer base are integral parts of our sales and marketing strategy. We have associated with the Semiconductor Equipment and Materials International, USA, Indian Semiconductor Association and Solar Energy Society of India **("SESI").** One of our Promoters, Mr. Hulas Rahul Gupta, is convenor of the industry wing of SESI.

Our Promoters, Mr. Bhushan Kumar Gupta and Mr. Hulas Rahul Gupta, have a combination of managerial acumen as well as domestic and international experience of approximately 30 and 20 years, respectively, in manufacturing, marketing and customer relations.

Since the commencement of commercial production until July 31, 2010, we had sold 43.74 MW of SPV cells for Rs. 24,299.05 Lakh and 0.52 MW of SPV modules for Rs. 529.15 Lakh. Our Orderbook is Rs. 1,01,190.02 Lakh as of July 31, 2010 with eleven customers from seven countries for delivery of 170.36 MW of SPV cells, based on conversion rate of 1€ = Rs. 60.53 and 1$ = Rs. 46.42 as on July 31, 2010. Out of the above mentioned Orderbook, orders for 30.58 MW resulting in an aggregate income of Rs. 17,075.82 Lakh have been executed by our Company until July 31, 2010. In Fiscal 2010, our total income was Rs. 13,147.85 Lakh. The total income from sale of SPV cells in Fiscal 2010 was Rs. 10,722.52 Lakh, constituting 81.55% of our total income.

Source: www.oanda.com

Industry Background

Our business is primarily driven by market factors including (a) government incentives such as "feed-in tariffs" and "green certificates" for solar power and efforts by countries in the developed and emerging markets to achieve 'grid parity'; (b) increasing consumer awareness for alternatives sources of energy, amid growing concerns in relation to global warming and extinction of conventional fuels; and (c) growing industry demand for solar power and desire for energy security.

The demand for SPV cells is determined by those countries which are driven by solar grid parity and also by the demand for our customers' solar modules and other downstream solar power products, which in turn is affected significantly by government subsidies and economic incentives in their targeted or potential markets. Governmental bodies in many countries, most notably Germany, Spain, Italy, the U.S., France, Japan, State of Ontario in Canada, India and China, have provided subsidies and economic incentives to reduce dependency on non-renewable sources of energy.

For further details in this regard, see the section titled "Industry Overview" on page 46.

Restructuring

We have recently undergone a restructuring exercise pursuant to which the erstwhile "Indosolar Limited" (the "**Transferor Company**") was amalgamated into our Company. The High Court of Delhi by its order dated September 16, 2009 approved the scheme of amalgamation of the Transferor Company with our Company with effect from the appointed date i.e., January 1, 2009 (the "**Appointed Date**"). Subsequently, the said the scheme of amalgamation became effective on September 24, 2009.

Pursuant to the said restructuring exercise, all assets and liabilities of the Transferor Company were transferred to our Company on a going concern basis with effect from the Appointed Date. Further, all contracts, deeds, agreements, bonds, etc. to which Transferor Company was a party, stood transferred in favour of our Company with effect from the Appointed Date.

For details in relation to the restructuring exercise as well as history and track record of the Transferor Company, see the sections titled "History and Certain Corporate Matters" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 93 and 118, respectively.

Our Competitive Strengths

We believe our principal competitive strengths are as follows:

State-of-the-art technologies for manufacturing SPV cells obtained from Schmid

We use state-of-the-art technology for manufacture of SPV cells. We have entered into arrangements with Schmid, one of the operators in SPV cell manufacturing technology and a vertically integrated player in the SPV cell industry, for delivery, installation and commissioning of the plant and machinery at our facility, on a turnkey basis. As the poly-silicon wafers used for manufacture of SPV cells are sensitive to atmospheric contaminants, our manufacturing lines are completely automated and in-line horizontally operated, with least human interference. The SPV cells produced by us are based on proven technology i.e. crystalline silicon technology, which has certain benefits over other competing technologies such as thin-film technology in terms of complexity, efficiency and performance. We also use the 'edge isolation' and the 'light induced silver-plating' ("**Ag-LIP**") technologies which offer higher average efficiency levels of up to 16.15%. The following factors characterize our state-of-the-art technology and manufacturing process:

1. High Conversion Efficiency, i.e., lower cost per kilowatt of electricity produced;
2. High throughput, i.e. the volume of output in a given period of time on a single line;
3. Fully automated facility for minimum employment of resources;
4. Integrated software solution for complete product tracing and documentation; and
5. Regular audits and process improvement.

The terms of our arrangements with Schmid include its agreement to provide performance guarantee equivalent to 10.00% of the agreed contract price in relation to achievement of 93.00% yield 'plant load factor' and minimum average cell efficiency of 15.50%. Schmid has also agreed to provide replacement, repair and maintenance warranty services for a limited period of time and to continuously upgrade the technological know-how and the process technology for manufacture of SPV cells for a period of five years from the date of the relevant agreement, for no additional charges.

Well positioned to receive tax breaks and special incentives from the Government of India

Our Company is one of the few companies which has been granted an in-principle approval by the Ministry of Communication and Information Technology, Government of India for grant of financial incentives of 25% of the total cost as submitted to the Government of India under the "Special Incentive Package Scheme" of 2007. Having fulfilled the conditions specified, we have applied for grant of formal approval in March 2010. We may use such financial incentives *inter alia* towards expansion of our manufacturing capacity or retirement of debt.

In addition, we are eligible to enjoy certain benefits, including free importability and entitlement to avail of certain direct and indirect tax exemptions or reimbursements, subject to fulfillment of certain terms and conditions such as maintenance of positive 'net foreign exchange' ("**NFE**") earnings, on account of our manufacturing facility at Greater Noida being granted the status as an EOU under the Foreign Trade Policy 2009-2014 of the Government of India.

For further details in relation to the nature of benefits enjoyed by an EOU and its obligations under the Foreign Trade Policy 2009-2014 as well as the Special Incentive Package Scheme, see the section titled "Regulations and Policies" on page 76.

Early mover advantage in the domestic SPV cell manufacturing space

We believe that the steps taken by us to set-up our manufacturing facility and the arrangements entered into by us with technology providers, raw material suppliers and our consumers provide us an early mover advantage establishing our presence in the domestic SPV cell manufacturing space. We believe that our early mover advantage will allow us to pre-empt competition and be among the first few companies to meet the demand for SPV cells. It will also help us establish long-term relationships with large customers and establish strong B2B presence in the market for SPV cells. We also believe that an early mover advantage would enable us to gain technological leadership, scale up, achieve significant sales volume and ride down the experience curve ahead of our competitors.

Committed and experienced promoters with demonstrable track record

Our Promoters and whole time Directors, Mr. Bhushan Kumar Gupta and Mr. Hulas Rahul Gupta, are primarily responsible for the growth in our business operations. With a combination of managerial acumen as well as domestic and international experience in the manufacturing, marketing and customer relation segments, they are well equipped to handle business situations. Our Promoters are committed to devote their undivided attention to our business.

In the past, our Promoters promoted a venture in the name of "Phoenix Lamps India Limited in 1991 (name later changed to "Phoenix Lamps Limited" and presently known as "Halonix Limited"). Halonix Limited is engaged *inter alia* in the business of manufacture of halogen automotive lamps, compact fluorescent lamps and other general lighting lamps. In March 2007, our Promoters exited Halonix Limited by selling their entire stake to Argon India Limited, a private equity fund.

Research and development initiatives that leverage both third party collaborations and internal resources

We have adopted a systematic approach to our research and development activities that are aimed at achieving both near-term manufacturing efficiency gains and long-term competitiveness by leveraging internal resources as well as third party collaborations.

Our research and development initiatives are led by a team of three solar photo-voltaic and semi-conductor scientists, namely, Dr. Dina Nath Singh, Mr. R.B. Gupta and Mr. C. M. Kumar, with broad experience and established credentials in the solar power industry. Our research and development team focuses on continually enhancing our SPV cell Conversion Efficiencies and improving our manufacturing operations. Our research and development team monitors and reports on technological developments, trends and new governmental policies affecting the industry. The team conducts its research on selected topics and contributes to the development and training of our staff.

We are currently considering offers received from the University of Tokyo and PVG Solutions Inc (Japan) who offer technology, training and identify process improvements to increase the efficiency of the cells. We believe our collaborative efforts with these institutions will keep us apprised of the latest industry trends and developments, help us implement our own initiatives and will contribute to our technological advancement.

Our vision

Our objective is to be one of the global leaders in the innovation, development and manufacture of SPV cells. Our corporate vision is "*to be a leading SPV cell manufacturing company by offering reliable, durable and efficient products, to achieve optimum customer satisfaction and to add economic value for all our stakeholders*".

Our Business Strategy

Expand existing production capacities to achieve economies of scale

We intend to expand our existing manufacturing capacities to increase our productivity and output and to meet the growing demand for SPV cells. We believe that this would provide us economies of scale and help us establish ourselves as one of the leading SPV cell manufacturers in terms of aggregate manufacturing capacity. We plan to increase our annual manufacturing capacity to approximately 260 MW by 2011, with the Line 3 of annual manufacturing capacity of 100 MW. We propose to install a SPV manufacturing Line 3 with selective emitter technology to be commissioned by our turnkey provider Schmid, which will provide an improved version of the SPV cells. We intend to fund the total expenditure towards development, installation and commissioning of the above mentioned expansion of our manufacturing capacity through equity and intend to utilise a portion of the Net Proceeds to fund the above mentioned capital expenditure. For further details, see the section titled "Objects of the Issue" on page 32.

Expand our customer base, diversify our sales effort and pursue a proactive marketing program

We intend to increase the scale and geographical coverage of our sales efforts in order to expand our customer base. We plan to build and enhance recognition of our brand both domestically and internationally by increasing our marketing and communications programs and resources. As part of our sales and marketing strategy, our management attends all major conferences, seminars and exhibitions for demonstration of our products and technological capabilities in USA, Germany, Japan, China, Korea and New Delhi. We have associated with the Semiconductor Equipment and Materials International, USA, Indian Semiconductor Association and SESI**.**

We are actively pursuing players in the domestic as well as international on-grid markets for strategic relationships and long-term sale and supply contracts. We intend to target SPV module makers, vertically integrated players and turnkey players to enjoy certain benefits such as eligibility for domestic content requirements in different jurisdictions. In order to continue growing, to reduce our reliance on any particular market segment and to achieve sustainable growth, we intend to broaden our geographic presence and customer base. While we expect Europe and India to continue to be one of our most significant markets for the foreseeable future, we plan to expand into several overseas solar power markets, including Japan, Spain, Italy, Canada, U.S., China, Taiwan, and those countries and regions with growing demand or market potential for solar power products. We intend to cater to the growth opportunities in the Indian domestic market for solar power products and become a preferred supplier of SPV cells for Indian SPV module makers and system integrators.

In addition, we will also seek to develop customers in the market for specialty applications, such as, solar power streetlights and traffic lights. We are also exploring the possibility of arrangements with certain established companies based in Europe regarding opportunities for participation in 'solar energy farm' projects.

To pursue opportunities and participate in solar power projects incentivised by the Governmental authorities in India and abroad

We believe that countries such as Germany, Italy, Japan and USA have in the past, and continue to exhibit strong demand for products similar to those manufactured by us, as customers in such jurisdictions are strongly motivated by environmental concerns and their governments will continue to support through incentives such as "feed-in tariffs" and "green certificates" in furtherance of their efforts to achieve 'grid parity'. We are pursuing opportunities and are also keen to participate in solar power projects incentivised by the governments in and outside India, including any plans for rural electrification.

For instance, under the National Action Plan on Climate Change in India, the "Jawaharlal Nehru National Solar Mission" ("**JNNSM**") was approved on November 19, 2009 and aims to achieve grid parity by 2022 by achieving a generation capacity of 20,000 MW through solar power supported by financial and fiscal incentives to those engaged in generation of solar power. There are certain proposals in relation to promotion of domestic content in the implementation of the JNNSM program which mandate that for Phase I of the JNNSM, all deployment in grid connected solar power be done only through SPV cells and modules manufactured in India. Such initiatives have the potential to create demand for SPV cells manufactured by us. We intend to expand our production capacity and continue to strategically target the sale of our SPV cells to module makers and system integrators who intend to align their products with the governmental programs for solar power.

Flexible approach for procurement of key raw materials at favourable prices

Our management believes that long term contracts contain certain onerous obligations which may affect our business interests and financial condition. We believe that presently, poly-silicon is readily available and silicon wafers under long-term contracts have been relatively expensive than that available in the spot market. We believe that oversupply scenario in the poly-silicon wafer market is likely to continue in the foreseeable future and we will have opportunities for cost savings in procurement of poly-silicon wafers going forward. It is thus preferable to follow a flexible mix vis-à-vis long term and spot market for procurement of silicon wafers, in conjunction with market trends and hence, we are currently negotiating silicon supply contracts with certain selected suppliers to meet aggregate installed capacity of 260 MW, with the prices linked to those prevailing in the spot market. In addition, while we have established relationships with certain key silicon wafer suppliers which helps us provide economies of scale, we are not dependent on any single supplier. Further, we have commenced efforts to widen the list of our suppliers based in different jurisdictions in order to gain sufficient negotiating power. We are also considering tolling of poly-silicon wafers in order to further reduce related costs. It is our strategy that other raw materials such as chemicals, silver and aluminium pastes are also procured from suppliers at the prevailing market prices. We believe that adoption of such a strategy will provide us a competitive edge over our competitors.

Continue to reduce our per Watt manufacturing costs, increase the throughput of our production lines and enhance our SPV cell Conversion Efficiencies

Besides installation of Line 3 which will produce improved SPV cells with higher average efficiency of up to 17.20%, we intend to continue to reduce our per Watt manufacturing costs by increasing the throughput of our production lines and improving yields by enhancing our SPV cell Conversion Efficiencies. Production of high Conversion Efficient SPV cells with reduced thickness resulting in lower cost per kilowatt of electricity will provide us a distinctive edge over our competitors. We are currently able to process silicon wafers as thin as 160-180 microns. In order to further lower our production costs, we intend to focus on manufacturing SPV cells with decreasing thickness levels. In addition, we intend to focus on development of innovative products and adopt latest technologies to keep pace with developments in the industry because of the competitive nature of our industry, the risk of technological obsolescence and to meet the unique requirements of our customers.

Implement stricter cash management and control measures

We may, in the near future, be required to incur substantial cash outflow to increase our inventories to meet production output and an increase in advances to suppliers to secure raw materials for our increased production output. Consequently, we will be required to implement stricter cash management and control measures to ensure timely collection of our receivables and payment of advances to our suppliers. At the same time, it will be imperative for us to reduce costs associated with carrying excess inventory. Any deficiency related to treasury and cash flow planning may have a material adverse effect on our cash flows and consequently, our business and results of operations. We intend to negotiate an increased credit period with the suppliers of our raw materials and other vendors. At the same time, we intend to negotiate payment of sufficient advances from our customers for orders currently received and for orders that we may receive in the future. We further intend to enter into foreign exchange hedging arrangements to mitigate any risks related to fluctuations in currency rates.

Threats and Weaknesses

Threats

Following are the key threats which may affect our business and results of operations:

- increase in price of poly-silicon wafers;
- non-utilization of our available manufacturing capacity;
- thwarting of our efforts to establish additional manufacturing capacity and increase output;
- non-availability of additional funds on commercially viable terms or at all to build additional manufacturing facilities;
- non-availability of the full or part of any financial incentives which we have applied for;
- delays and cost overruns in expansion of our manufacturing facilities as a result of a factors beyond our control, such as increases in the price of and shortage in the supply of poly-silicon and silicon-based raw materials and problems with equipment vendors; and
- reduction in, or elimination of, subsidies and economic incentives for on-grid solar energy applications.

Weaknesses

Following are the significant weaknesses which may affect our business and results of operations:

- lack of history of long-term relationships with poly-silicon wafer suppliers;
- lack of ability to increase the average selling price of our SPV cells based on the prevailing market prices;
- lack of long term experience of our management in manufacture of SPV cells; and
- our ability to service high cost of debt funds.

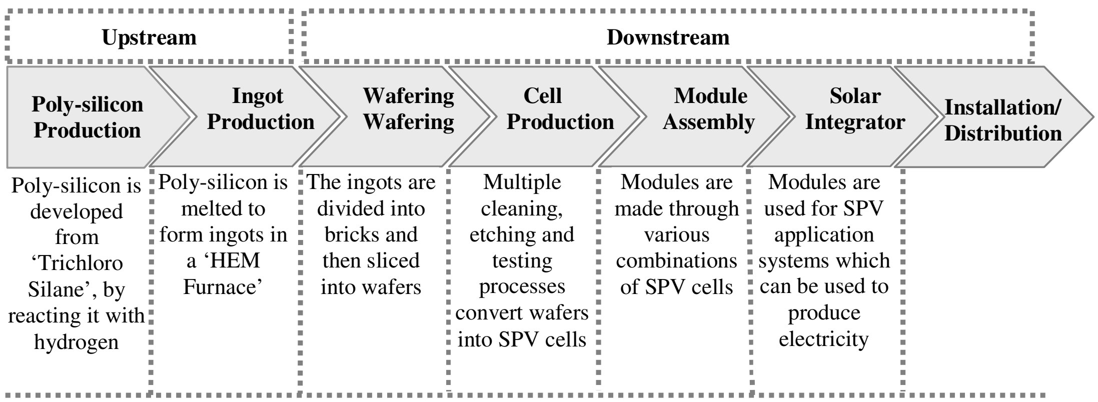
Business Process

We manufacture SPV cells from silicon wafers utilizing silicon SPV cell technology. We sell our SPV cell products to overseas and Indian module manufacturers and system integrators, who assemble SPV cells into solar modules and solar power systems for use in various markets worldwide.

The SPV Industry Value Chain

The SPV industry value chain begins with the melting of metallurgical-grade silicon, purifying it and casting it into ingots. The ingots are cut into blocks and then sliced into wafers that are chemically processed to make SPV cells which generate electric current when exposed to sunlight. Interconnected SPV cells are packaged into modules, which protect SPV cells and collect the electricity generated. SPV systems are comprised of multiple modules and related electronics to harness and store the electricity generated.

The following diagram illustrates the different stages of the SPV industry value chain.



Mentioned below are the details of various components of the SPV industry value chain.

Poly-silicon Ingots and Blocks: A poly-silicon ingot is formed by melting, purifying and solidifying poly-silicon feedstock into a brick-shaped ingot.

Poly-silicon Wafers: The poly-silicon blocks are then sliced into wafers with wire saws. Thinner wafers enable a more efficient use of poly-silicon, and thus lower the Cost per Watt of power produced.

SPV Cells: For details, see the section titled "Our Business – Our Products" on page 62.

SPV Modules: A SPV module is an assembly of SPV cells that are electrically interconnected, laminated and framed in a durable and weatherproof package.

Integrated SPV Systems: A SPV system consists of one or more SPV modules that are physically mounted and electrically interconnected with system components such as batteries and power electronics, to produce and store electricity.

We believe that we are placed as manufacturer of SPV cells from silicon wafers in the value chain of the SPV industry. For further details, see the section titled "Our Business–Manufacturing Process for our SPV Cells" on page 63.

Our Products

We currently manufacture only poly-crystalline SPV cells. A SPV cell is a semiconductor device that converts sunlight into electricity by a process known as the photovoltaic effect. The average Conversion Efficiency of our SPV cells is in the range of 15.4 – 16.6%. Our average Conversion

Efficiency has improved from 14.76% in July 2009 to 16.15% in July 2010. Besides, our Manufacturing Yield has gone up from 71.99% in July 2009 to 94.10% in July 2010 on Line 1.

The following table sets forth the type of SPV cells we offer with the specifications indicated.

Product	Dimension (mm x mm)	Conversion Efficiency (%)	Thickness (EM)	Maximum Power (Watt per SPV cell)
Poly-crystalline SPV cells	156 x 156	15.4 – 16.6	180 – 200	3.75 – 3.99

We believe our SPV cells are highly competitive with other products in the solar energy market in terms of efficiency and quality. The key technical efficiency measurement of SPV cells is the Conversion Efficiency rate. In general, the higher the Conversion Efficiency rate, the lower the production cost of SPV modules per Watt because more power can be incorporated into a given size package.

The Conversion Efficiency of a SPV cell is the ratio of electrical energy produced by the SPV cell to the energy from sunlight that reaches the SPV cell. The Conversion Efficiency of SPV cells is determined to a large extent by the quality of wafers used to produce the SPV cells, which is, in turn, determined by the mix of different types of poly-silicon raw materials used in the ingot casting process.

We are now able to process wafers as thin as 160-180 microns. In order to further lower our production costs, we intend to focus on producing SPV cells with decreasing thickness levels.

Manufacturing process for our SPV Cells

Poly-crystalline silicon SPV cells are manufactured on 6”x6” and 180-200 micron thick silicon substrate, which are commonly known as ‘silicon wafers’. The silicon wafers are converted into SPV cells by processing through various steps which are as under:

Saw damage removal and texturisation

↓

Phosphorous doping process

↓

Diffusion

↓

Edge isolation and etching of phosphorous silicate glass

↓

Anti-reflection coating

↓

Printing of electrical connections

↓

Light Induced Silver Plating

↓

Testing

Step 1: Saw damage removal and texturisation

At this stage, saw damages from the silicon wafers are removed and the silicon wafers are texturised. The texturisation process involves creating hills and vallies on the surface of silicon wafers by way of etching silicon along with the grain boundaries of the poly-crystalline material. The texturised surface reduces the reflectivity of sun light falling on the SPV cells and thus enhances the absorption of the sun light.

Step 2: Phosphorous doping process

Poly-crystalline silicon SPV cells are basically P-N junctions built in a silicon substrate. Poly-crystalline SPV cell manufacturing normally starts with a boron doped P-type substrate. In order to convert the P-type substrate into a P-N junction the silicon wafers are doped with phosphorous from top, which would convert a thin portion of P-type silicon substrate into an N-type region.

The phosphorous is generally doped by way of depositing a thin layer of phosphorous atoms on the surface of the silicon wafer. The deposition is accomplished by employing mist of phosphoric acid, which is generated by ultrasonic waves in a machine called P-Doper.

Step 3: Diffusion

At this stage, the phosphorus layer deposited during the phosphorous doping process gets diffused into the P-type substrate, after exposing wafer to high temperature in a furnace. The furnace at all times maintains a controlled temperature wherein the diffusion of deposited phosphorous atoms into the silicon wafers takes place.

Step 4: Edge Isolation and etching of phosphorous silicate glass

While diffusion of phosphorous into P-type silicon substrate phosphorous is diffused from the top, at the same time the process of diffusion unavoidably occurs at the sides of the silicon wafers. Though diffusion of phosphorous from the top is necessary to create the P-N junction, however, the diffusion from the sides of the wafer is unwanted bi-product, as it creates '*electrical short'* between the top and bottom of the P-N junction. At the end of the diffusion process, a thin layer on the top surface of the silicon wafers gets converted into phosphorous-silicate glass, which is again an unwanted bi-product.

In order to remove the unwanted side diffusion and the layer of phosphorous-silicate glass, a single side etching process employing a mixture of hydrochloric acid and nitric acid is used. The mixture of hydrochloric and nitric acid etches the side diffusion and subsequently hydrofluoric acid is used to remove the layer of phosphorous-silicate glass from the silicon wafers.

Step 5: Anti-reflection coating

The efficiency of converting sunlight into electricity by a SPV cell depends on two factors viz., (a) the amount of absorption of light; and (b) efficient collection of electronic charges generated in the SPV cell (i.e. P-N junction). The absorption of light in the SPV cell is enhanced firstly by texturisation of the surface (as described in Step 1 above) and secondly by depositing an anti-reflection coating on the surface of silicon wafers. Anti-reflection coating is essentially a thin layer of silicon nitrate which is deposited on the N-side of the silicon wafer. The silicon nitrate layer is deposited by the process known as 'plasma enhanced chemical vapour deposition' ("**PECVD**"). This process of PECVD involves reaction of silane gas with ammonia gas with the help of microwave energy. This reaction further generates the plasma of silane and ammonia gases in order to create silicon nitride layer on the surface of the silicon wafers.

Step 6: Printing of electrical connections

In order to collect the electrical current generated from the SPV cells and to transfer the electricity from the SPV cells to intended applications, electrical connection of SPV cells is necessary. The electrical connection to the SPV cell is created by screen printing, a well defined network of silver lines on the N-side and P-side of SPV cells.

Step 7: Light Induced Silver Plating

In order to improve the conductivity of electrical connections on the SPV cells, silver is further deposited by electrolytic process. The deposition of silver is achieved by passing the SPV cells through a silver electrolyte and shining of light on the SPV cell.

Step 8: Testing

In order to ensure that the SPV cells manufactured by us adhere to our quality standards and declared specifications, all SPV cells are then made to undergo an electrical test wherein sunlight is simulated and generated electricity is measured by precision measuring instruments.

Quality Control

Our finished SPV cells are inspected and tested according to standardized procedures. In addition, we have established multiple inspection points at key production stages to identify product defects during the production process. Unfinished products that are found to be below standard are repaired or replaced. Our quality control procedures also include raw material quality inspection and testing. Moreover, we provide regular training and specific guidelines to our operators to ensure that production processes meet our quality inspection and other quality control procedures. A quality assurance team provides customer support and after-sales services. We gather customer feedback for our SPV cells and endeavour to timely address customer concerns.

Sales of our SPV cells

We market and sell our SPV cells worldwide through our direct sales force, which is based at our manufacturing facility. We do not sell our products to end users and sell directly to SPV module makers and system integrators. Our customers include prominent international solar power module makers and system integrators.

Since the commencement of commercial production until July 31, 2010, we had sold 43.74 MW of SPV cells for Rs. 24,299.05 Lakh and 0.52 MW of SPV modules for Rs. 529.15 Lakh.

Provided below are month-wise details of our income from sale of SPV cells since the time we commenced commercial production until July 31, 2010:

Month	SPV cells sold (MW)	July 2009 – July 2010	
		Amount from sales of SPV cells (Rs. Lakh)	% of total sales
July 2009	0.10	82.54	0.34
August 2009	0.04	30.87	0.13
September 2009	1.01	648.30	2.67
October 2009	0.07	44.42	0.18
November 2009	0.05	31.76	0.13
December 2009	1.75	928.11	3.82
January 2010	3.46	1,923.95	7.92
February 2010	4.42	2,435.12	10.02
March 2010	8.48	4,597.45	18.92
April 2010	7.11	3,871.12	15.93
May 2010	7.35	3,955.79	16.28
June 2010	3.65	2,069.58	8.52
July 2010#	6.25	3,680.03	15.14
Total**	**43.74**	**24,299.05**	**100.00**

 # Apart from above sale in July 2010, there are goods in transit of approximately 2.45 MW aggregating to an amount of approximately Rs. 1,212.38 Lakh.
***Apart from the above mentioned sales, during the month of June 2010 and July 2010, our Company had done job work for manufacturing of solar PV cells of 4.37 MW amount to Rs. 1,173.06 Lakh.*

We presently sell our SPV cells primarily to Indian, European, Taiwanese and Chinese customers. The following table sets forth our income from sale of our SPV cells by geographic region, and the percentage contribution of each of these regions since the time we commenced commercial production until July 31, 2010:

Geographic Region/Country	SPV cells sold (MW)	July 2009 – July 2010	
		Amount from sales of SPV cells (Rs. Lakh)	% of total sales
India	*6.79*	*3,502.92*	*14.42*
Taiwan	*11.80*	*6,548.31*	*26.95*
China	*13.54*	*7,418.86*	*30.53*
Hong Kong	*2.41*	*1,308.34*	*5.38*
Canada	*0.03*	*18.92*	*0.08*
Japan	*0.00*	*2.85*	*0.01*
Europe			
Finland	2.39	1,453.16	5.98
France	2.63	1,443.63	5.94
Slovenia	1.21	724.99	2.98
Germany	0.16	111.87	0.46
Romania	0.03	20.70	0.09
Italy	2.74	1,742.72	7.17
Portugal	0.00	0.49	0.00
Czech	0.00	0.37	0.00
Greece	0.01	0.67	0.00
Spain	0.00	0.25	0.00
Europe Sub-total	*9.17*	*5,498.85*	*22.63*

Total	***43.74***	***24,299.05***	***100.00%***

We also outsource to third parties the manufacturing of SPV modules from our SPV cells or purchase SPV modules from third parties for sale of such SPV modules to our customers. Until July 31, 2010, we sold 0.52 MW of SPV modules and the income from sale of SPV modules during such period was Rs. 529.15 Lakh.

Marketing of our SPV Cells

We seek to further diversify our geographic presence and customer base in order to achieve a balanced and sustainable growth. We intend to cater to the growth opportunities in the Indian domestic market for solar power products and become a preferred supplier of SPV cells for Indian SPV module makers and system integrators. We plan to further expand our sales and marketing network by actively exploring opportunities in other markets and geographic regions, such as Spain, Italy, Canada, USA and China.

Our marketing programs include industrial conferences, trade fairs, advertising and public relation events. Our sales and marketing groups work closely with our research and development and manufacturing groups to coordinate our product development activities, product launches and ongoing demand and supply planning.

We sell our products primarily under sales contracts, purchase orders, toll manufacturing and buy-and-sell arrangements, as follows:

Sales contracts and purchase orders

We enter into sales contracts on various terms with our customers and are obligated to deliver SPV cells according to a pre-agreed price and schedule during the term of the contract. Our customers generally do not make an advance payment in relation to the contracts entered with us. We grant our large customers credit terms, according to our current credit policy. With respect to the other customers, we typically request full payment or grant of 'Letters of Credit' before shipment. We also sell our SPV cells via purchase orders placed by our customers.

Further, the terms and conditions of majority of such contracts are in accordance with global contract terms such as INCOTERMS 2000. Under the contracts entered into with certain of our customers for delivery of SPV cells, we are required to provide performance guarantees and may be required to pay certain penalties in the event of default of our obligations under such contracts, including those which relate to shortage in supplies, breakage above certain specified thresholds or failure to provide delivery of SPV cells within the specified time.

Toll Manufacturing

Toll manufacturing is a type of contract manufacturing frequently used in the SPV industry, under which part of the manufacturing process is outsourced to qualified third parties, or toll manufacturers. The raw materials used by toll manufacturers are usually supplied by the outsourcing company in order to control sourcing quality. In our case, toll manufacturing arrangements have been limited to sending a portion of our SPV cells to third-party SPV module manufacturers and receiving completed SPV modules from them in return, which we in-turn supply to our customers. We pay the toll manufacturers a processing fee for such toll manufacturing services.

Buy-and-sell arrangements: We are currently negotiating certain buy-and-sell arrangements whereunder we obtain poly-silicon wafer supplies from our customers, and are obligated to sell SPV cells to them in return. The payment we make for the wafers and the payment our customers make for the SPV cells are either settled separately or sometimes offset against each other.

Pricing of our SPV Cells

SPV cells are priced based on the number of watts of electricity they can generate or power output, which in-turn depends on their size and on their Conversion Efficiencies. Pricing per Watt of SPV cells is principally affected by manufacturing Costs per Watt, comprising of primarily the cost of silicon wafers, the overall market demand for SPV cells, and some other factors, such as the currency exchange and interest rates. Increased economies of scale and process technology advancements in the past resulted in a steady reduction in manufacturing costs and the Price per Watt of SPV cells. However, since fourth quarter of 2008, global solar power industry demand decreased precipitously due to the global economic downturn, and this decline in demand continued in the first half of 2009. During the same period, the global supply of solar power products begun to exceed the global demand due to the excess production capacity and the global economic downturn, which contributed to the decline in the price of SPV cells. In the first half of 2009, the Spanish market for solar power collapsed resulting in a huge impact on the industry. The inevitable consequence was factory-gate price mayhem as price of solar power products fell approximately 38%, compared to the average 2008 and 2009 levels. In the second half of 2009, prices eventually reached a point where demand took off helped by an improving global economy and the return of financing.

We determine the Price per Watt of SPV cells based on the prevailing market prices when we enter into sales contracts with our customers or when our customers place purchase orders with us, taking into account the size of the contract or the purchase order, the strength, history and prospects of our relationship with the customer and our costs. The prices of SPV cells under a majority of the orders received are fixed. Prices under some of the orders are linked to the prevailing spot-market prices for SPV cells. The average selling prices of our SPV cells since commercial production up to April 30, 2010 is approximately Rs. 55.10 per Watt. In case of shortage of SPV cells the selling price will increase, however, if demand for solar products declines and the oversupply of solar products situation exist, the average selling price of our SPV cells will adversely affected. For further details, see the section titled “Risk Factors” on page xi.

Orderbook

Our Orderbook is Rs. 1,01,190.02 Lakh as of July 31, 2010 with eleven customers from seven countries for delivery of 170.36 MW of SPV cells, based on conversion rate of 1€ = Rs. 60.53 and 1$ = Rs. 46.42 as on July 31, 2010. Out of the above mentioned Orderbook, orders for 30.58 MW resulting in an aggregate income of Rs. 17,075.82 Lakh have been executed by our Company until July 31, 2010. Few of such orders have been repeat orders from existing customers. The Orderbook price of our SPV cells ranges from Rs. 53.38 (US $ 1.15) per Watt to Rs. 69.17 (US $ 1.49) per Watt. We define Orderbook as orders awarded to us on a prior date and in respect of which we entered into signed agreements or have letters of award or work orders.

Source: www.oanda.com

The table below sets forth details of our Orderbook:

Country where customer is based	Orders as of July 31, 2010		% of total Orderbook
	Amount (Rs. Lakh)	SPV Cells (MW)	
France 1*	33,029.14	56.25	38.89
France 2*	6,326.72	11.18	
Germany 1**#	23,417.75	39.88	23.14
Taiwan1**	6,548.31	11.80	6.47
India 1**	2,785.03	5.00	4.93
India 2**	2,208.00	4.00	
China	7,958.13	14.35	7.86
Slovenia	4,314.48	6.50	4.26
Italy 1	932.23	1.40	14.45
Italy 2	10,351.40	15.00	
Italy 3	3,318.83	5.00	
Total	**1,01,190.02*** **	**170.36*** **	**100.00**

**based on conversion rate of € = Rs. 60.53 as on July 31, 2010. Source: www.oanda.com. The price of the SPV cells under the contract is fixed for the first year of delivery and the price for the subsequent years will be finalised during the preceding quarter of each of the subsequent years. However, the supply of SPV cells under the contract is fixed for the first and the subsequent years of delivery.*

*** based on conversion rate of US $ = Rs. 46.42 as on July 31, 2010. Source: www.oanda.com.*

*** *As on July 31, 2010, orders for* 30.58 *MW resulting in an aggregate income of Rs.* 17,075.82 *Lakh have been executed by our Company.*
# *The contract is for delivery of SPV modules, which we intend to deliver through toll manufacturing and other similar outsourcing mechanisms.*

Raw Materials

Manufacturing of SPV cells requires reliable supplies of various raw materials, including poly-silicon wafers, metallic pastes, chemicals and other materials. We seek to diversify the supply sources of raw materials and have not in the past experienced any disruption of our manufacturing process due to insufficient supply of raw materials. We are not dependent on any single supplier. We maintain different inventory levels of our raw materials, depending on the type of product and the lead time required to obtain additional supplies. We seek to maintain reasonable inventory levels that achieve a balance between our efforts to reduce our storage costs and optimize working capital on one hand, and the need to ensure that we have access to adequate supplies on the other.

Poly-silicon wafers

Poly-silicon wafers are the most important raw materials for producing SPV cells. Poly-silicon is created by refining quartz sand. In order to manufacture SPV cells, poly-silicon is melted and processed into crystalline silicon ingots, which are then sliced into flat wafers that can be processed into SPV cells. Poly-silicon wafers used for SPV cell production are generally classified into two different types: monocrystalline and multicrystalline poly-silicon wafers. Compared to monocrystalline silicon wafers, multicrystalline silicon wafers have a lower conversion rate but are less expensive. We currently use 6-inch wafers in our production.

We primarily purchase wafers from third-party suppliers to manufacture SPV cells. We do not currently produce poly-silicon or poly-silicon wafers but source them from various suppliers, including manufacturers and trading companies, most of which are located in China, Taiwan, Japan and Germany. In contrast to some of our vertically integrated competitors that can obtain poly-silicon supplies internally below market price, we do not have, and will not in the foreseeable future establish any poly-silicon or wafer manufacturing facilities. We produce a test batch of SPV cells from each shipment of poly-silicon wafers that we receive, and return them if the quality is below our standards.

In the future, we may, from time to time, face a shortage of silicon raw materials and experience late delivery from suppliers and may have to purchase silicon raw materials at higher price or of lower quality which in turn may result in lower Conversion Efficiencies and reduced revenues per cell. Currently, due to the industry-wide excess supply of silicon raw materials experienced during the past one year, we have primarily purchased silicon wafers from the spot market. Given the current wafer price environment, we also seek to exert greater control over incoming wafer quality while establishing stable and long-term relationships with high quality suppliers. We are also considering various options to lower the purchase cost of poly-silicon wafers e.g., by reducing thickness or by entering into arrangements such as toll manufacturing.

Our management believes that long term contracts contain certain onerous obligations which may affect our business interests and financial condition. We believe that presently, poly-silicon is readily available and as silicon wafers under long-term contracts have been relatively expensive than that available in the spot market. It is thus preferable to follow a flexible mix vis-à-vis long term and spot market for procurement of silicon wafers, in conjunction with market trends and hence, we are currently negotiating silicon supply contracts with certain selected suppliers to meet aggregate installed capacity of 260 MW, with the prices linked to those prevailing in the spot market. In addition, while we have established relationships with certain key silicon wafer suppliers which helps us provide economies of scale, we are not dependent on any single supplier. Further, we have commenced efforts to widen the list of our suppliers based in different jurisdictions in order to gain sufficient negotiating power.

As of July 31, 2010 we have placed bulk purchase orders to suppliers for approximately 189.89 Lakh pieces with delivery spread over a period of time at prices ranging from Rs. 124.92 (US$ 2.69) to Rs. 185.76 (US$ 4.00) per poly-silicon wafer, with credit period ranging from zero days to 90 days. We are often required to provide letters of credit to our suppliers.

Provided below are month-wise details of cost of procurement of poly-silicon wafers since the time we commenced commercial production until July 31, 2010:

Month	Cost per poly-silicon wafer (Rs.)
July 2009	170.21
August 2009	162.54
September 2009	162.41
October 2009	155.77
November 2009	145.92
December 2009	142.99
January 2010	144.24
February 2010	140.03
March 2010	141.17
April 2010	141.32
May 2010	146.76
June 2010	148.52
July 2010	151.86

* *based on conversion rate of US $ = Rs. 46.44 as on July 31, 2010. Source: www.oanda.com*

Based on the above, the average cost of poly-silicon wafers procured by us since the time we commenced commercial production until July 31, 2010 is Rs. 147.58 (US$ 3.18) per poly-silicon wafer. We believe that the price of poly-silicon wafers will witness further downward revision in the near future.

Our manufacturing process also involves use of metallic pastes, chemicals and other materials. We secure these raw materials from multiple vendors who have demonstrated good quality control and reliability. As part of our continuing cost control efforts, we seek to source a significant portion of these raw materials locally.

Research & Development

Our research and development initiatives are led by a team of three solar photo-voltaic and semi-conductor scientists namely Dr. Dina Nath Singh, Mr. R.B. Gupta and Mr. C.M. Kumar, with broad experience and established credentials in the field of solar power industry. Each of our scientists has more than 12-15 years of accumulated experience in research and development. Under their guidance, our research and development program include the following areas:

- Increase SPV cell efficiency and reduce the manufacturing costs;
- Development of new processes and technologies;
- Development of methods and processes to improve reliability and quality of SPV cells; and
- Development of new equipment and material.

Our research and development team of three solar photo-voltaic and semi conductor researchers and scientists focuses on continually enhancing our SPV cell Conversion Efficiencies and improving our manufacturing operations. Our research and development team monitors and reports on technological developments, trends and new governmental policies affecting the industry. The team conducts its research on selected topics and contributes to the development and training of our staff.

We are currently considering offers received from the University of Tokyo and PVG Solutions Inc (Japan) who offer technology, training and identify process improvements to increase the efficiency of the SPV cells.

Collaborations, Tie-ups and Associations

We have entered into arrangements with Schmid, one of the operators in SPV cell manufacturing technology and a vertically integrated player in the SPV cell industry, for delivery, installation and commissioning of the plant and machinery at our manufacturing facility, on a turnkey basis. Provided below are details of two equipment purchase contracts that our Company has entered into with Schmid.

Contracts dated January 13, 2008 (the "**Purchase Contract-1**") and September 1, 2008 ("**Purchase Contract-2**") entered between our Company and Schmid (collectively, "**Purchase Contracts**")

Description	Supply Contract 1	Supply Contract 2
Value of Contract (Rs. Lakh)	17,424.00*	19,419.00*
Date of delivery	Second half of October, 2008	End of March 2009

* *Indian Rupee equivalent of € 30 million, at the rate of 1 € = Rs. 58.08, as on January 13, 2008 and 1 € = Rs. 64.73, as on September 1, 2008. Source: www.oanda.com*

Certain key terms and conditions of the Purchase Contracts are as under:

1. In terms of the Purchase Contracts, Schmid shall plan, supply, install and commission the plant for the manufacture of SPV cells;

2. Schmid shall retain title to all the materials supplied until the contract price has been paid in full. However, our Company has the right to assign or provide as security, the equipments supplied if it has provided letters of credit up to the date specified in the Purchase Contracts.

3. For any evolutions or improvements, attributable to Schmid's knowledge, technology for SPV cells, Schmid shall update our Company's process/technology, know-how at no additional charge at our site till January 16, 2013.

4. Our Company shall be responsible for all expenditures arising from complaints, lawsuits or any other claims relating to the damage to persons or property which occurs without blame to Schmid.

5. The equipment provided by Schmid shall be guaranteed for a period of 12 months from the date of the final acceptance test ("**FAT**") or 7,000 operating hours per year, whichever is earlier.

6. Out of the entire value of Purchase Contracts, our Company shall pay 7.5% of the contract price at the time of FAT – 1 and another 7.5% of the contract price at the time of FAT – 2. The FAT shall be undertaken after completion of the installation and commissioning of the manufacturing line/equipments.

7. Our Company is under a confidentiality obligation for a period of three years in connection with the Purchase Contracts.

The manufacturing lines under Purchase Contract - 1 and Purchase Contract – 2 has already been commissioned and commercial production has started.

Agreement dated August 18, 2008 (the "Purchase Agreement") between our Company and M/s. SHV Energy Private Limited (the "Supplier")

Our Company has entered into a 10 year exclusive Purchase Agreement with the Supplier for: (a) installation of a complete system comprising of 60 super gas LPG cylinders of 33 kilogram each, along with regulators, piping etc. (**"SGS"**); and (b) minimum supply of 23 MT of LPG per month through the SGS. The cost of LPG under the Supply Agreement is Rs. 54,722* per MT, subject to a price escalation clause. The Supply Agreement also imposes certain lease rentals and minimum commitment charges on us. The title in the SGS shall at all times vest with the Supplier, however, the risks in relation to the LPG will pass to us on delivery of the LPG at our premises. Our Company will be responsible for security and the safety of the SGS and our premises by obtaining adequate insurance cover (like third party and public liability insurance). In case of termination of the Supply Agreement, we shall be required to pay rental and maintenance charges to the Supplier for six months and compensation worth 15% of the initial value of installation, i.e., approximately Rs. 10.20 Lakh. Further, none of the parties can assign their rights or obligations without obtaining prior written consent from the other party. Our Company is subject to certain confidentiality obligations in relation to the Supply Agreement. The structure has been installed and supply of LPG has commenced.

* *Indian Rupee equivalent of price in US $, as on August 18, 2008. Source: www.oanda.com*

Competition

The market for SPV cells is highly competitive and continually evolving. We expect to face increased competition, which may result in price reductions, reduced margins or loss of market share. We believe that the key competitive factors in the market for SPV cells include:

a. manufacturing efficiency;
b. Conversion Efficiency and performance;
c. price;
d. strength of supplier relationships; and
e. reputation.

As an SPV cell manufacturing company, we currently face competition from domestic companies such as Websol Energy Systems Limited as well as international companies such as Q-cell, Motech, Neosolar and Suniva manufacturing SPV cells using technologies similar to or different from those used by us. We may also face competition from other large Indian and international companies, with whom we might not be able to compete, as successfully if they consider setting up facilities to manufacture products similar to those currently manufactured by us. We expect competition to remain high in view of the immense growth potential.

We compete with our competitors in the sectors in which we operate through deployment of our core competitive strengths and business strategies. Further, we believe that we are equipped to handle the complex processes as well as technology oriented quality requirements for the sector in which we operate. Since the business in which we operate is primarily driven by market factors including industry demand for solar power and availability of raw materials, which may be vulnerable to volatile cycles, we believe that we have the ability to build the requisite industry relationships as well as know-how to plan our growth curve.

For details regarding risks in relation to competition faced by us, see the section titled "Risk Factors – *We face significant competition and any failure to compete effectively could result in decline in our market share and adversely affect our margins*." on page xix.

Utilities required for our Manufacturing Facility

Power

For our manufacturing facility at Greater Noida, our requirement for continuous supply of power is met through four DG sets delivering a peak capacity of 6,000 KVA, which we believe is sufficient to run our existing two SPV cell manufacturing lines having an aggregate annual manufacturing capacity of 160 MW.

Further, we intend to install two more gas based generator sets which shall deliver an aggregate capacity of 3,750 KVA to run the proposed third SPV cell manufacturing lines with an annual manufacturing capacity of 100 MW. For further details in relation to the said two additional gas based generator sets, see the section titled "Objects of the Issue" on page 32.

Additionally, we have been sanctioned a load of 45 KWs from Noida Power Corporation Limited, which we intend to use in our office for our day-to-day managerial, finance, accounting and secretarial operations. In view of the same, we believe that our needs for power will be adequately met and there will be no shortage of power for our day to day operations and our manufacturing facility.

We entered into a gas sales agreement ("**GSA**") with Indraprastha Gas Limited ("**IGL**") on November, 20, 2009 for supply of gas to power our generator sets. The supply of gas is scheduled to commence on or before October, 2010 and the GSA is valid until December 31, 2014. The contract price of the gas under the GSA will be based on quantity and all taxes, duties and levies will be borne by our Company. Under the GSA, our Company will have a take or pay obligation, wherein our Company, in respect of the gas that was not off-taken by it, will be liable to pay a certain amount as specified. Further, our Company will not be relieved of any of its obligations under the GSA unless in the case of a *force majeure* event (as defined in the GSA). IGL has the right to suspend deliveries or terminate the GSA under certain specified circumstances.

Water

Our water requirement at our manufacturing facility is met through bore wells, which are sufficient to meet our demands.

Compressed Air and Cooling Arrangements

Compressed air, cooling towers and chillers are used in the manufacturing process. Our Company has installed sufficient compressors, chillers and cooling towers with back-up facility for our existing manufacturing facility at Greater Noida.

Storage and Management of Chemicals

Due to their hazardous nature, the chemicals are stored in a special access controlled designated area. The supply of these chemicals to the manufacturing equipment is through an automated system.

Effluent Treatment and Waste Management

The waste/rinse water from the process which contains chemicals, is treated in an automated 'Effluent Treatment Plant' which treats the water of all chemicals as per the required standards before it is drained out of our facility. The gases coming out of the various equipments are treated through the 'Abatment System and Scrubbers' before they are released into the environment.

Maintenance of our Manufacturing Facility

Our manufacturing facility and plants have maintenance departments that carry out preventive, condition based, predictive and remedial maintenance. Under the terms of our arrangements with Schmid, it shall perform maintenance under the provisions of the agreement entered into with it which provides for replacement, repair and maintenance warranty for plant and machinery installed, for a period of 12 months from the date of the FAT or a maximum of 7,000 operating hours per year, whichever is earlier. We also engage the services of trained maintenance personnel and specialized external technical experts and agencies, as and when required. We carry out preventive maintenance on a regular basis.

Statutory Approvals and Clearances

All statutory and regulatory approvals, clearances and consents required for manufacturing of SPV cells through our existing manufacturing lines and for our operations have been obtained by us. For further details in this regard, see the section titled "Government and Other Approvals" on page 148.

Health, Safety and Environment

As a company operating in the SPV cell manufacturing business, we are required to comply with various laws, rules and regulations relating to the environment. We believe that we are in compliance, in all material respects, with applicable health, safety and environmental regulations and other requirements in our operations and also maintain adequate workmen's compensation, group medical insurance and personal accident insurance policies.

Adequate equipments have been installed for treatment of effluents generated during the manufacturing process. In particular, we have consents from the various government agencies for our existing production facility at Greater Noida and those necessary to carry on our business. There are currently no proceedings pending or, to the best of our knowledge, threatened against us or any of our Directors, officers or employees in relation to environmental regulations.

We are committed to provide a safe, clean and healthy environment and do not envisage any difficulty in meeting the required parameters to maintain a clean and healthy environment. We monitor injuries, near misses and lost time in accidents on a continuous basis and operate a safety management system at our manufacturing facility. Our Company makes conscious efforts for improving safety record and has installed fire extinguishers and provided uniforms, safety shoes/gloves, helmets to all employees working at our manufacturing facility.

For further details on the consents and approvals obtained by our Company and any associated risks in this regard, see the sections titled "Government and Other Approvals" and "Risk Factors — Risks Related to Our Business" on pages 148 and xi, respectively.

Human Resources

The manufacturing process requires an appropriate mix of skilled and unskilled labour. Our Company engages labour on contract basis for doing non-routine work as and when required. Our Company has maintained good relationships with its employees and there have been no instances of any labour unrest or agitation or strike since its incorporation. There is easy availability of labour around the towns and cities where our manufacturing facility is presently located and we do not foresee any problem in hiring additional manpower.

The total number of employees as of July 31, 2010 was 270, details of which are provided herein below:

	Number of Employees
Skilled	
Researchers/ Scientists	3
Engineers and technicians	169
Heads of Department	16
Management professionals	37
Finance/ Accounts Professionals	7
Secretarial staff	2
Sub-total	**234**
Semi Skilled	**14**
Unskilled	**22**
Total	**270**

Training and Human Resource Development

We largely depend upon the calibre and efficiency of our employees. Our human resource policy is targeted towards motivating our employees and developing a congenial work environment. We continue to focus on a performance-oriented culture through strengthened employee appraisals with reviews linked to performance. With a view to enhancing the competency-levels of employees, on the basis of identification of training needs, behavioural and safety training is imparted by us as per the certified standards. We continue to place major emphasis on providing a safe, healthy and hygienic working environment to all our employees.

Our recruitment process ensures that the new employees recruited are competent and can add value to our organization. A systematic assessment process is designed which involves technical/non-technical interviews by the heads of the respective departments and evaluation of their work profile to identify the right candidate for the right job profile. An induction and orientation process is conducted to present the history, the current scenario and the future to all new recruits in our Company.

Steps taken to retain Key Managerial Personnel

We offer competitive compensation packages and entrepreneurial culture with a team-based approach that we believe is attractive to our Key Managerial Personnel. The steps taken by us to retain our Key Managerial Personnel include the following:

- performance-based reward and recognition mechanism;
- conducting frequent training sessions to provide an environment of continuous learning and skill upgradation;
- creating second-line-support for all key positions and effective succession planning through 'employee career planning' processes;
- providing a good work-life balance by allowing employees to work only 40 hours a week; and

- providing certain perks, including car with drivers, annual health check-ups, recreational facilities etc.

We intend to continue to invest in the career development and training of our Key Managerial Personnel, with the objective to further enhance their technical and leadership skills.

Payment or Benefit to Officers of our Company

No amount or benefit has been paid or given to any officer of our Company within the two preceding years from the date of filing of this Red Herring Prospectus or is intended to be paid, other than in the ordinary course of their employment.

Key Industry Regulations

For details regarding the key industry regulations applicable to us, see the section titled "Regulations and Policies" on page 76.

Intellectual Property

Our Company has applied for registration over the trademark "Indosolar" and the corporate logo "". For further details in this regard, see the sections titled "Government and Other Approvals" and "Risk Factors" on pages 148 and xi, respectively.

Export Obligations

We have export obligations to the extent of the products imported by us, i.e., Rs. 5,23,930.55 Lakh as of July 31, 2010.

Insurance

Our operations are subject to hazards inherent in manufacturing of SPV cells, such as risk of equipment failure, work accidents, fire, earthquake, flood and other *force majeure* events, acts of terrorism and explosions. This includes hazards that may cause injury and loss of life, severe damage to and the destruction of property and equipment and environmental damage. We may also be subject to claims resulting from defects in the SPV cells manufactured by us within the warranty periods extended by us, which can range from 12 to 60 months from the date of delivery.

Our principal types of insurance coverage for risks related to our manufacturing process include all-risk insurance policies, fire insurance, burglary and housebreaking insurance and electronic equipment insurance. Our insurance policies may not be sufficient to cover our economic losses. For further details, see the section titled "Risk Factors" on page xi. Loss or damage to our manufacturing facilities including manufacturing equipment, materials and property are generally covered by "standard fire and special perils" insurance. Our marine cargo open policies consist of coverage for loss or damage to products manufactured by our Company which are in transit. We also maintain health insurance for our permanent employees.

We believe that the amount of insurance cover presently maintained by us represents an appropriate level of coverage required to insure our business and operations, and is in accordance with industry standards in India.

Land for our Manufacturing Facility and Properties

Our manufacturing facility and corporate office

Our manufacturing facility as well as corporate office is located at 3C/1, Ecotech – II, Udyog Vihar, District Gautam Budh Nagar, Greater Noida 201 306, India, over a property admeasuring 27,158.78 square meters, which is sufficient for our existing manufacturing lines as well as for putting up of additional manufacturing lines and future expansion.

The said property has been obtained on lease basis from the GNIDA for an initial period of 90 years commencing from November 21, 2005, pursuant to a lease deed dated November 21, 2005.

Under the terms of such lease arrangements, we are not permitted to transfer our interest in the leased premise or the building constructed thereon, without obtaining a functional certificate from GNIDA. Prior permission of GNIDA shall be necessary before mortgaging the leased premises. We are required to obtain the building plan approvals within six months from the date of the possession. We are also required to obtain a completion certificate within 48 months from the date of confirmation of allotment of land. We are also subject to provisions of the Uttar Pradesh Industrial Area Development Act, 1976.

Further, under the terms of the lease, we are required to inform GNIDA about any alteration in our Memorandum, Articles or capital structure. If we commit breach of any of the covenants or conditions contained in the Lease Deed, it shall be lawful for GNIDA to re-enter the leased premises and the lease shall stand determined.

We conduct all our administrative activities from our Corporate Office and all our reporting activities from our Registered Office.

For further details in relation to the transactions involving acquisition of land underlying our manufacturing facility, see the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 117.

Our Registered Office

Our registered office is located at C-12, Friends Colony East, New Delhi 110 065, India. Our Registered Office has been obtained on lease from Ms. Priya Desh Gupta, a member of our Promoter Group pursuant to lease deed dated September 17, 2009, and which was renewed by agreement dated June 21, 2010 for a period of 11 months commencing from August 16, 2010, for a monthly lease rental of Rs. 0.35 Lakh.

Other properties

In addition to the above, we have acquired leasehold rights over certain properties, which we intend to maintain for the purposes of lodging and accommodation for our business associates and employees. Mentioned below are the details of locations of such properties:

(a) AM-12, Ground Floor, Eldeco Green Meadows, Greater Noida, Uttar Pradesh, India
(b) AM-26-SF, Sector – PI, Greater Noida, Uttar Pradesh, India

Legal Proceedings

We are currently not involved in any litigation or legal or administrative proceedings that would have a material adverse effect on our business or results of operations. For further details, see the section titled "Outstanding Litigation and Material Developments" on page 145.

REGULATIONS AND POLICIES

Our Company is engaged in the business of manufacture of SPV cells. The following is an overview of the important laws and regulations, which are relevant to our business. The statements below are based on the current provisions of Indian law, and the judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

The regulations set out below are not exhaustive, and are only intended to provide general information to bidders and is neither designed nor intended to be a substitute for professional legal advice.

For details of government approvals obtained by us in compliance with these regulations, see the section titled "Government and Other Approvals" on page 148.

Special Incentive Package Scheme

In accordance with the rise in the solar industry globally, the GoI has instituted solar industry programs on both the demand and the supply side. On the supply side, the GoI announced a semiconductor policy, as elaborated upon herein below, with cabinet-approved incentives to attract foreign investment to the semiconductor sector, including manufacturers of semiconductors, displays and solar technologies.

The Ministry of Communications and Information Technology notified the Special Incentive Package Scheme to encourage investment for setting up semiconductor fabrication and other micro and nano technology manufacture industries in India (such industries hereinafter referred to as the "**Industries**"), on March 21, 2007 (the "**Policy**"). The purpose behind the introduction of the Policy was to create a conducive manufacturing environment for such Industries and offer a package of incentives comparable with other countries to attract global investment into the manufacturing sector as well as help bridge the viability gap due to lack of adequate infrastructure and eco-system.

Clause 2.1 of the Policy states that investment under the Policy would cover the manufacture of all semi-conductors and eco-system units, namely, displays including liquid crystal displays, organic light emitting diodes, plasma display panels, any other emerging displays, storage devices, solar cells, photovoltaics, other advanced micro and nano technology products. Further, only technologically sound, large projects promoted by professionally qualified and financially sound and reputed players of proven track record, shall be eligible to apply for incentives under the Policy. Additionally, investors who can attract further upstream or downstream investment shall be encouraged.

Further, certain other significant provisions of the Policy are as follows:

a. The Policy is applicable to state of the art technology.

b. The special incentive package shall be available only up to March 31, 2010.

c. The threshold net present value ("**NPV**") for investment, which is calculated as the NPV of investments made during the first ten years of the project life, shall be as follows:
   i. For semi-conductor manufacturing ("**Fab Unit**") products – Rs. 2,50,000 Lakh and above; and
   ii. For manufacture of other eco-system products – Rs. 1,00,000 Lakh and above.

d. The discount rate under the Policy will be at the rate of 9%.

e. The GoI or any of its agencies shall provide incentive of 20% of the capital expenditure during the first 10 years (from the commencement of the project) for the units in SEZ and 25% of the capital expenditure for non-SEZ units. Non-SEZ units shall also be exempt from countervailing duty. The incentives, if any, offered by the state government or any of its agencies or local bodies, shall be over and above this amount.

f. Any unit may claim incentives in the form of capital subsidy or equity participation in any combination of the following:

(a) Equity in the project, not exceeding 26%; and
(b) Capital subsidy in the form of investment grant and interest subsidy.

g. The entire equity contribution will be taken towards the value of the incentive package. There shall be an exit option, to be exercised by the Government, at a suitable point of time in the future, after the project goes on stream.

h. The ceiling on the maximum number of Fab Units that can be established is two to three and 10 in the case of eco-system units.

i. Clause 7.1 of the Policy states that an 'Appraisal Committee' shall be established by the Department of Information Technology which will receive expressions of interest from investors, in the prescribed format along with a feasibility report, which shall *inter alia,* provide data, surveys, projections (including financial flows for minimum 10 years), business plan, phasing of expenditure and timelines for project implementation. The 'Appraisal Committee' may also call for such other information or material as may be required for the purpose of appraising the project.

j. The 'Appraisal Committee', on the basis of material and advice available on record, shall make appropriate recommendations to the GoI, which will then grant the relevant investor approval under the Policy.

Scheme on "Demonstration and Promotion of Solar Photovoltaic Devices/ Systems in Urban Areas & Industry" during 2008-09 (the "Demonstration and Promotion Scheme")

The Demonstration and Promotion Scheme was introduced by the MNRE (Urban, Industrial and Commercial Group) for the period of 2008-2009 and continues for the 11th plan period as well. An expenditure of Rs. 4,800 Lakh is expected to be incurred under this scheme.

The major objectives of the Demonstration and Promotion Scheme are: (a) to create awareness and demonstrate effective alternate solutions for community or institutional solar based systems in urban areas and industries; (b) to reduce the burden of conventional electricity facing a shortage in cities or towns facing shortages; and (c) to save highly subsidized diesel in institutions and other commercial establishments including industry facing huge power cuts. The scheme also aims at the promotion of solar street lights, solar traffic signals, solar blinkers, solar power packs/inverters etc.

The implementation procedure, as detailed under the scheme, is to be executed through state nodal agencies and in other specific cases, by other government bodies or other technical organizations which will also be involved in organizing publicity awareness campaigns and other events such as conferences, workshops etc. The implementing agencies will be provided service charges @ 2% of central financial assistance sanctioned for the demonstration projects. The implementing agencies will be free to decide the capacity and other specifications of systems to be installed in the area and would also ensure that an annual maintenance contract for five years is included in the total cost of the system.

Financial support is one of the mechanisms under the Demonstration and Promotion Scheme for promoting the use of solar photovoltaic devices and systems in urban areas. For this purpose, the Demonstration and Promotion Scheme includes various financial provisions, including those pertaining to financial support guarantees to programmes under the scheme such as seminars, conferences, and public awareness programmes. Further, there is a system provided for electricity conservation where the support is limited up to 1 kW SPV Panel with details as provided in the scheme. A system of abatement of fuel and other diesel oil is provided with a support limit to 100 KW power.

Feed-in-Tariffs:

On the demand side, in early 2008, the GoI announced a Feed-in-Tariff ("**FIT**") scheme which is a form of a 'pricing law' by way of which producers of renewable energy are paid to set scientifically calculated rates for their electricity, differentiated according to the technology used and size of the installation, for a specified time period. The additional costs of such feed-in model schemes are paid by suppliers in proportion to their sales volume, and are passed to the power consumers by way of a premium on the KWh end-user price.

The FIT, introduced at the national level as a supplement to more modest local incentive programs, is aimed at providing financial support up to Rs. 12 per kWh for SPV projects, promising a 10-year commitment and is subject to annual digressions (as detailed under the Guidelines below).

The MNRE had announced two feed-in laws for (1) grid-connected solar-PV-based power generation and (2) grid-connected solar-thermal-based power generation. The central subsidy per kWh for SPV and for solar thermal was set at Rs. 10 and Rs. 12 respectively. This would be in addition to the state subsidy. Several state governments have subsequently announced FIT incentives with caps ranging from 50MW to 500 MW, the most prominent among them being West Bengal, Gujarat, Haryana, Punjab and Tamil Nadu. The government of Gujarat recently announced a policy to target 500 MW in the state. The FIT will be USD 0.27/kWh for a period of 12 years.

The following is a list of applicable tariff rates in the some of the Indian states:

State	Condition	Tariff
Gujarat	Projects Commissioned before December 31, 2012	Rs. 13/ kWh for the first 12 years Rs. 3/ kWh from the 13th year to the 25th year
	Projects commissioned before March 31, 2014	Rs. 12/ kWh for the first 12 years Rs. 3/ kWh from the 13th year to the 25th year
Haryana	Solar Power Plants commissioned upto December 31, 2009	Rs. 15.96/ kWh
	Solar Power Plants commissioned upto December 31, 2009/2010	Rs.15.16/ kWh
Maharashtra	Solar power plans commissioned within Maharashtra upto March 31, 2010 under the generation based incentive scheme.	Rs. 3/ kWh
Punjab	-	Rs. 7.00 per unit for SPVfor 10 years
Rajasthan	Plants commissioned upto December 31, 2009 (covered under GOI scheme)	Rs. 15.78/ kWh
	Plants commissioned upto December 31, 2009 (Not covered under GOI scheme)	Rs. 15.60/ kWh
	Plants commissioned after December 31, 2009 but by Mrch 31, 2010	The above tariff will be reduced by 60 P/ kWh
Tamil Nadu	-	Rs. 3.15/ kWh
Uttar Pradesh	**Licensee**	
	Plant covered under GoI scheme Commissioned before December 31, 2009	Rs. 3.00/ kWh for the first 10 years
	Plants covered under GoI scheme commissioned after December 31, 2009 but by March 31, 2010	Rs. 3.60/ kWh for the first 10 years
	Plants not covered under GoI Scheme- commissioned before December 31, 2011	Rs. 15.00/ kWh for the first 10 years
	GOI	
	Plant covered under GoI scheme commissioned after December 31, 2009	Rs. 12.00/ kWh for the first 10 years
	Plants covered under GoI scheme commissioned after December 31, 2009 but by March 31, 2010	Rs. 11.40 / kWh for the first 10 years
	Plants not covered under GoI Scheme commissioned before December 31, 2011	Rs. 0.00/ kWh for the first 10 years
	Plants commissioned before	Rs 15/ kWh (from the 11th to the 20th year)

	December 31, 2011	
West Bengal		Rs. 12.50/ kWh

Guidelines for Generation Based Incentive for Grid Interactive Solar Power Generation Projects (the "Guidelines")

With a view to develop and demonstrate technical performance of grid interactive solar power generation, achieve reduction in the cost of the grid connected solar systems and the cost of solar power generation in the country, the MNRE has decided to support grid interactive solar power generation projects as demonstration projects in the country. By way of the Guidelines, the MNRE will consider support for a maximum capacity up to 50 MW during the 11^{th} plan period. The Indian Renewable Energy Development Agency ("**IREDA**") will assist the MNRE in fund handling, monitoring and other associated activities in this regard.

There are various eligibility projects and eligibility criterion laid down under the Guidelines. All existing registered companies, central and state power generation companies and public/ private sector SPV power project developers who have set up or propose to set up a registered company in India will be eligible for consideration of generation based incentives. Individuals, non-governmental organizations, financial institutions, societies and other unorganized investors are not eligible to participate directly. A developer who wants exemption under Section 32 of the IT Act will not be eligible for this incentive. Further, setting up of captive grid interactive SPV power plant or captive utilization of SPV power is not covered within the scope of the Guidelines.

The generation based incentives under the Guidelines, include, *inter alia,* the following:

(a) Wherever the State Electricity Regulatory Commission ("**SERC**") has fixed a separate tariff for solar power or they fix the tariff during the period for which the MNRE is providing incentive, the utilities will offer a minimum of that tariff to the SPV grid interactive power projects in their respective states. In absence of such tariff orders, the utilities will offer the highest tariff for purchase of power to the SPV power project developers, that is being offered by the utilities for purchasing power in their respective states on medium term or the highest tariff being provided for purchase of power from any other energy source for which orders/guidelines are already issued for that state.

(b) A generation based incentive of a maximum of Rs. 12 per kWh can be provided to the eligible projects which are commissioned by December 31, 2009, by the MNRE through IREDA after taking into account the power purchase rate provided by the SERC or utility for the project. However, the projects commissioned after December 31, 2009, would be eligible for a maximum incentive with 5 (five) % reduction and ceiling of 11.40 per kWh. The method of determination of the maximum generation based incentive is as laid down under the Guidelines, subject to a maximum limit of 12 per kWh.

i. The incentives approved for a grid interactive SPV power generation project under the Guidelines may be available for a maximum period of 10 years from the date of approval and regular power generation from that project, provided that the utility continues to purchase power from that grid interactive SPV power plant.

Additionally, the Guidelines also contain provisions for technical performance optimization and also aim at using technology for availing higher output. These guidelines provide for adequate infrastructure for monitoring the project with IREDA also playing a monitory role in the process. The project developers have to submit an annual progress report of the project and the annual report of the company which have set up and own the grid interactive SPV plants. These broad guidelines are also applicable to grid connected solar thermal power generation projects, however, the generation based incentive for them will, however, be limited to a maximum of Rs. 10 per kWh as per guideline 8.2. The maximum capacity of 50 MW would apply to solar thermal projects as well. The continuance of the scheme and restructuring of the incentive scheme would depend up on the success of the scheme during the stipulated period.

These Guidelines may be replaced by new set of guidelines even before March 31, 2010, at any given time, by the MNRE and will apply to projects and proposals that have not been approved by that time.

General GoI support and incentives for solar energy:

The Jawaharlal Nehru National Solar Mission:

The Jawaharlal Nehru National Solar Mission (the "**Mission**"), based on the National Action Plan on Climate Change was introduced in November 2009 by the Union Cabinet. It is being launched under the brand name "Solar India" at an estimated cost of Rs. 4,337,00 Lakh. The Mission anticipates achieving grid parity by 2022 and parity with coal-based thermal power by 2030. It seeks to establish India as a global leader in solar energy, by creating the policy conditions for its diffusion across the country as quickly as possible. The basic idea is to create a policy and regulatory environment which will provide a predictable incentive structure that enables rapid and large-scale capital investment in solar energy applications and encourages technical innovation and lowering of costs. It shall also encourage aggressive research and development department to reduce the cost and improve the overall performance of this field.

The Mission recommends an installed capacity of 20,000 MW by the end of the 13th Plan in 2022. The Mission will adopt a 3-phase approach, spanning the remaining period of the 11th Plan and first year of the 12th Plan (up to 2012-13) as Phase I ("**Phase I**"), the remaining four years of the 12th Plan (2013-17) as Phase II and the 13th Plan (2017-22) as Phase III. At the end of each plan, and mid-term during the 12th and 13th Plans, there will be an evaluation of progress, review of capacity and targets for subsequent phases, based on emerging cost and technology trends, both domestic and global. The aim would be to protect the Government from subsidy exposure in case expected cost reduction does not materialize or is more rapid than expected.

Ajay Shankar Committee Recommendations

The Ajay Shankar Committee ("**Committee**") was set up to recommend a policy framework under the Mission to encourage domestic production of raw materials and components by recommending the minimum indigenous content required for solar power projects, both solar thermal and photovoltaic .

The Committee on promotion of the domestic content in the implementation of the Mission has mandated that for Phase I, all deployment in grid connected solar power plants be done using both photovoltaic cells and modules manufactured in India. It has also recommended the mandatory use of Power Conditioning Units (PCUs) made in India, and suggested a review for possible extension to wafers and silicon made in India.

The final recommendations of the Committee are yet to be made and once finalized; the same would be incorporated in the guidelines for the Mission.

Solar Water Heating:

The GoI has offered 100% depreciation claim in the first year itself on installation of commercial solar water heating systems. Some states, like Haryana, Gujarat, Delhi etc. offer subsidies, in the forms of soft loans, depreciation benefits etc. on domestic as well as commercial solar water heating systems installations.

Further, installation of solar water heaters has been made mandatory in several states in the country. For example, the Haryana state government, by its Notification No.22/52/2005-06 dated July 29, 2005, has made it mandatory to use solar water heating systems in *inter alia,* all industries where hot water is required for processing, hospitals and nursing homes, including government hospitals, hotels, motels, canteens, housing complexes set up by group housing societies/housing boards and all residential buildings (plot size 500 square yards and above) falling within municipal committees / corporations and Haryana Urban Development Authority sectors, all government buildings, residential schools, educational and training institutes, tourism complexes and universities etc. in the state. The said notification in fact also provides for penal provisions in case of non-compliance.

Export Oriented Units Scheme (the "EOU Scheme")

The EOU Scheme was introduced in the year 1980 by the Ministry of Commerce resolution dated December 31, 1980. The objective of the EOU Scheme was to boost exports by creating additional production capacity, permitting setting up of units undertaking to export their entire production of goods and providing the required tariff, non-tariff and policy based support to facilitate export efforts.

The EOU Scheme is, at present, governed by the provisions of the Foreign Trade Policy of the GOI - 2009-2014 (the "**Policy**") and Chapter 6 of the Handbook of Procedures, Volume-I (the "**Handbook**").

*Eligibility under the Policy and the EOU Scheme***:**

Under the provisions of the Policy, units undertaking to export their entire production of goods and services (except permissible sales in the domestic tariff area ("**DTA**"), may be set up for manufacture of goods, including repair, re-making, reconditioning, re-engineering and rendering of services, under the following schemes:

(c) EOU Scheme;
(d) Electronic Hardware Technology Park Scheme ("**EHTP**");
(e) Software Technology Park Scheme ("**STP**"); or
(f) Bio-Technology Park Scheme ("**BTP**")

Trading units, however are not covered under the abovementioned schemes.

The EOU/EHTP/STP/BTP unit ("**Unit**") shall be a positive net foreign exchange ("**NFE**") earner and the NFE shall be calculated cumulatively in blocks of five years, starting from the commencement of production.

Further, only projects having a minimum investment of Rs. 100 Lakh in plant and machinery will be considered for establishment as EOUs. These limits will; however not apply to existing units and units ceratin sectors as may be decided by the Board of Approval ("**BoA**").

Letter of Permission/ Letter of Intent:

On grant of approval, a Letter of Permission ("**LOP**") /Letter of Intent ("**LOI**") shall be issued by the Development Commissioner/designated officer to the Unit. The LOP/LOI shall have an initial validity of three years by which time the unit should have commenced production. Its validity may be extended further up to three years by the competent authority. However, proposals for extension beyond six years shall be considered in exceptional circumstances, on a case-to-case basis by the BoA. Once the unit commences production, the LOP/LOI issued shall be valid for a period of five years for its activities. This period may be extended further by the Development Commissioner for a period of five years at a time.

Failure by the Unit to ensure a positive NFE or to abide by any of the terms and conditions of the LOP/LOI shall render the unit liable to penal action under the provisions of the Foreign Trade (Development and Regulation) Act, 1992 and the rules and orders made there under without prejudice to action under any other law/rules and cancellation or revocation of the LOP/LOI.

Export and Import of Goods:

The following are certain significant benefits/ rights/ conditions and restrictions on the import and export of goods by the Units under the Policy:

(a) A Unit may export all kinds of goods and services except items that are prohibited in ITC (HS). Export of special chemicals, organisms, materials, equipment and technologies shall be subject to fulfillment of the conditions indicated in ITC (HS). Procurement and supply of export promotion material like brochure / literature, pamphlets, hoardings, catalogues, posters etc. upto a maximum value limit of 1.50% of free on board value of previous years exports shall also be allowed.

(b) A Unit may import and/or procure, from DTA or bonded warehouses in DTA / international exhibition held in India, without payment of duty, all types of goods, including capital goods, required for its activities, provided they are not prohibited items of import in the ITC (HS). Any permission required for import under any other law shall be applicable. Units shall also be permitted to import goods including capital goods required for approved activity, free of cost or on loan / lease from clients. Import of capital goods will be on a self certification basis. Goods imported by a unit shall be with actual user condition and shall be utilized for export production.

(c) State trading regime shall not apply to EOU manufacturing units. However, in respect of chrome ore / chrome concentrate, state trading regime as stipulated in export policy of these items, will be applicable to EOUs.

(d) Units may import / procure from DTA, without payment of duty, certain specified goods for creating a central facility. Software EOU/DTA units may use such facility for export of software.

(e) An EOU engaged in agriculture, animal husbandry, aquaculture, floriculture, horticulture, pisciculture, viticulture, poultry or sericulture may be permitted to remove specified goods in connection with its activities for use outside bonded area.

(f) Gems and jewellery EOUs may source gold /silver/ platinum through nominated agencies on loan / outright purchase basis. Units obtaining gold/ silver/ platinum from nominated agencies, either on loan basis or outright purchase basis shall export gold/ silver / platinum within 90 days from date of release.

(g) Units, other than service units, may export to Russian Federation in Indian Rupees against repayment of state credit / escrow rupee account of buyer subject to RBI clearance, if any.

(h) Procurement and export of spares / components, upto 5.00% of free on board value of exports, may be allowed to same consignee / buyer of the export article, subject to the condition that it shall not count for NFE and direct tax benefits.

(i) BoA may allow, on a case to case basis, requests of the Units in sectors other than gems and jewellery, for consolidation of goods related to manufactured articles and export thereof along with manufactured article. Such goods may be allowed to be imported / procured from DTA by EOU without payment of duty, to the extent of 5.00% free on board value of such manufactured articles exported by the unit in preceding financial year. Details of procured / imported goods and articles manufactured by the EOU will be listed separately in the export documents. In such cases, value of procured / imported goods will not be taken into account for calculation of NFE, DTA sale entitlement and profits accruing out of such procured / imported goods will not be eligible for income tax benefits. Such procured/ imported goods shall not be allowed to be sold in DTA. BoA may also specify any other conditions.

Entitlements:

(a) Supplies from DTA to Units from the DTA units will be regarded as "deemed exports" and DTA supplier shall be eligible for relevant entitlements under Chapter 8 of the Policy, besides discharge of export obligation, if any, on the supplier. Notwithstanding the above, the Units shall, on production of a suitable disclaimer from DTA supplier, be eligible for obtaining entitlements specified in Chapter 8 of the Policy. For claiming deemed export duty drawback, they shall get brand rates fixed wherever all industry rates of drawback are not available.

(b) Suppliers of precious and semi-precious stones, synthetic stones and processed pearls from DTA to EOU shall be eligible for grant of 'Replenishment Authorisations' at rates and for items mentioned in the Handbook.

(c) In addition, the Units shall be entitled to following:-

- Reimbursement of central sales tax ("**CST**") on goods manufactured in India. Simple interest at the rate of 6.00% p.a.will be payable on delay in refund of CST, if the case is not settled within 30 days of receipt of complete application (as in paragraph 9.10.1 of the Handbook).

- Exemption from payment of central excise duty on goods procured from DTA on goods manufactured in India.
- Reimbursement of duty paid on fuel procured from domestic oil companies / depots of domestic oil public sector undertakings as per the drawback rate notified from time to time. Reimbursement of additional duty of excise levied on fuel under the Finance Acts would also be admissible.
- Central value added tax credit on service tax paid.

(d) Supplies from the DTA to the Unit will be regarded as "deemed exports" and the DTA supplier shall be eligible for the relevant entitlements, besides discharge of export obligation, if any, on the supplier.

(e) Reimbursement of central sales tax on goods manufactured in India.

(f) Exemption from payment of central excise duty on goods procured from DTA on goods manufactured in India.

(g) Reimbursement of duty paid on fuels procured from domestic oil companies, as per the applicable rate of drawback.

(g) Exemption from payment of service tax.

(h) Exemption from payment of income tax as per the provisions of Section 10A and 10B of the IT Act.

(i) Export proceeds will be realized within 12 months.

(j) Will be allowed to retain 100.00% of its export earning in the export earners foreign currency account.

(k) The Units will not be required to furnish bank guarantee at the time of import or going for job work in DTA, where the unit has (i) a turnover of rupees 500 Lakh or above, (ii) the unit is in existence for at least three years and (iii) unit having an unblemished track record.

(l) 100.00% FDI investment permitted through automatic route.

Exit from the EOU Scheme:

(a) With approval of Development Commissioner, an EOU may opt out of scheme. Such exit shall be subject to payment of excise and customs duties and industrial policy in force.

(b) If unit has not achieved obligations, it shall also be liable to penalty at the time of exit.

(c) In the event of a gems and jewellery unit ceasing its operation, gold and other precious metals, alloys, gems and other materials available for manufacture of jewellery, shall be handed over to an agency nominated by DoC, at price to be determined by that agency.

(d) A Unit may also be permitted by the Development Commissioner to exit from the scheme at any time on payment of duty on capital goods under the prevailing EPCG Scheme for DTA Units. This will be subject to fulfillment of positive NFE criteria under EOU scheme, eligibility criteria under EPCG scheme and standard conditions indicated in the Handbook.

(e) Unit proposing to exit out of EOU scheme shall intimate Development Commissioner and Customs and Central Excise authorities in writing. Unit shall assess duty liability arising out of debonding and submit details of such assessment to Customs and Central Excise authorities. Customs and Central Excise authorities shall confirm duty liabilities on priority basis, subject to the condition that the unit has achieved positive NFE, taking into consideration the depreciation allowed. After payment of duty and clearance of all dues, unit shall obtain "No Dues Certificate" from Customs and Central Excise authorities. On the basis of "No Dues Certificate" so issued by the Customs and Central Excise authorities, a unit shall apply to Development Commissioner for final de-bonding. In case there is no proceeding pending against the unit, the Development Commissioner shall issue final de-bonding order within a period of seven working days. Between "No Dues Certificate" issued by Customs and Central Excise authorities and final de-bonding order by the Development Commissioner, unit shall not be entitled to claim any exemption for procurement of capital goods or inputs. However, unit can claim advance authorisation / excise pay back / duty drawback. Since the duty calculations and dues are disputed and take a long time, a bank guarantee / bond / instalment processes backed by bank guarantee shall be provided for expediting the exit process.

(f) In cases where a unit is initially established as DTA unit with machines procured from abroad after payment of applicable import duty or from domestic market after payment of excise duty and the unit is subsequently converted to EOU, in such cases removal of such capital goods to DTA after de-bonding would be without payment of duty. Similarly, in cases where a DTA unit imported capital goods under Export Promotion Capital Goods Scheme and after completely fulfilling export obligation gets converted into EOU, unit would not be charged customs duty on capital goods at the time of removal of such capital goods in DTA when de-bonding.

(g) Units may also be permitted by the Development Commissioner to exit under advance authorization as a one time option. This will be subject to fulfilment of positive NFE criteria.

Environment Laws

Our Company's operations and manufacturing activities of SPV cells require various environmental and other permits. Major environmental laws applicable to our Company's operations include:

The Environment (Protection) Act, 1986 ("EPA")

The EPA is umbrella legislation in respect of the various environmental protection laws in India. The EPA provides the GoI with the power to take any measure it deems necessary or expedient for protecting and improving the quality of the environment and preventing and controlling environmental pollution. Penalties for violation of the EPA include fines up to Rs. one Lakh or imprisonment of up to five years, or both.

The Environment Impact Assessment Notification No: 1533(E), 2006 ("EIA Notification")

The EIA Notification, issued under the EPA and the Environment (Protection) Rules, 1986, as amended, states that the prior approval of the MoEF is required in the event any new project in certain specified areas is proposed to be undertaken. To obtain an environmental clearance, a no-objection certificate has to be first obtained from the relevant state pollution control board. This is granted after a notified public hearing, submission and approval of an environment impact assessment report that sets out the operating parameters such as the permissible pollution load and any mitigating measures for the mine or production facility and an environmental management plan.

Hazardous Wastes (Management and Handling) Rules, 1989 ("Hazardous Wastes Rules")

The Hazardous Wastes Rules aim to regulate the proper collection, reception, treatment, storage and disposal of hazardous waste by imposing an obligation on every occupier and operator of a facility generating hazardous waste to dispose such waste without adverse effect on the environment, including through the proper collection, treatment, storage and disposal of such waste. Every occupier and operator of a facility generating hazardous waste must obtain an approval from the relevant pollution control board. The occupier is liable for damages caused to the environment resulting from the improper handling and disposal of hazardous waste and any fine that may be levied by the respective state pollution control boards.

Water (Prevention and Control of Pollution) Act, 1974 ("Water Act")

The Water Act aims to prevent and control water pollution as well as restore water quality by establishing and empowering the relevant state pollution control boards. Under the Water Act, any individual, industry or institution discharging industrial or domestic waste water must obtain the consent of the relevant state pollution control board, which is empowered to establish standards and conditions that are required to be complied with. If the required standards and conditions are not complied with, the state pollution control board may serve a notice on the concerned person, cause the local magistrates to pass an injunction to restrain the activities of such person and impose fines.

Air (Prevention and Control of Pollution) Act, 1981 ("Air Act")

Under the Air Act, the relevant state pollution control board may inspect any industrial plant or manufacturing process and give orders, as it may deem necessary, for the prevention, control and abatement of air pollution. Further, industrial plants and manufacturing processes are required to adhere to the standards for emission of air pollutants laid down by the relevant state pollution control board, in consultation with the Central Pollution Control Board. The relevant state pollution control board is also empowered to declare air pollution control areas. Under the Air Act, consent of the state pollution control board is required prior to establishing and operating an industrial plant, which has to be granted within a period of four months of receipt of the application to establish and operate an industrial plant. The consent by the state pollution control board may contain conditions relating to pollution control equipment to be installed and the quantity of emissions permitted at the industrial plant. The penalties for the failure to comply with the provisions of the Air Act include imprisonment of up to seven years and the payment of a fine as may be deemed appropriate.

Employment and Labour Laws

Our Company is subject to various labour, health and safety laws which govern the terms of employment of the laborers at the mining and manufacturing facilities, their working conditions, the benefits available to them and the general relationship between the management and such labourers. These include:

Contract Labour (Regulation and Abolition) Act, 1970 ("CLRA")

The CLRA requires establishments or contractors that employ, or have employed on any day in the previous 12 months, 20 or more workmen as contract labour to be registered and prescribes certain obligations with respect to the welfare and health of contract labour. The CLRA vests the responsibility on the principal employer of an establishment to register as an establishment that engages contract labour. In the absence of such registration, contract labour cannot be employed in the establishment. Every contractor to whom the CLRA applies is required to obtain a license and cannot undertake or execute any work through contract labour except under, and in accordance with, the terms of the license so issued. The appropriate government may prohibit the employment of contract labour in any process, operation or other work in any establishment. To ensure the welfare and health of contract labour, the CLRA imposes certain obligations on the contractor including in relation to providing and maintaining canteens, rest rooms, drinking water, washing facilities, first aid facilities, other facilities and payment of wages. However, in the event the contractor fails to provide these amenities, the principal employer is under an obligation to provide these facilities within a prescribed time period. Penalties, including both fines and imprisonment, may be imposed for contravention of the provisions of the CLRA.

Employees' Provident Funds and Miscellaneous Provisions Act, 1952 ("EPFA")

The EPFA provides for the institution of compulsory provident fund, pension fund and deposit-linked insurance funds for the benefit of employees in factories and other establishments. Liability is placed both on the employer and the employee to make certain contributions to the funds mentioned above. The EPFA creates provident funds for the benefit of employees in factories and other establishments. Contributions are required to be made by employers and employees to a provident fund and pension fund established and maintained by the GoI. The employer is responsible for deducting employees' contributions from the wages of employees and remitting the employees' as well as its own contributions to the relevant fund. The EPFA empowers the GoI to frame various funds such as the "Employees Provident Fund Scheme", the "Employees Deposit-linked Insurance Scheme" and the "Employees Family Pension Scheme".

Employees' State Insurance Act, 1948 ("ESI Act")

The ESI Act confers certain benefits to employees or their beneficiaries, employed in a factory or establishment, in the event of sickness, maternity, disability or employment injury. Every factory or establishment to which the ESI Act applies is required to be registered in the manner prescribed under the ESI Act. All employees, including casual and temporary employees, whether employed directly or through a contractor are entitled to be insured as per the provisions of the ESI Act, except employees whose wages exceed such wages as maybe prescribed by the GoI. The ESI Act contemplates the payment of a contribution by the principal employer and each employee to the Employees' State Insurance Corporation to be deposited in the Employees' State Insurance Fund (the "ESI Fund"). The ESI Fund shall be utilized, among others, for payment of benefits, fees, compensatory allowances, gratuities, expenses, defraying expenditure for improving and establishment of medical care units like hospitals. Penalties under the ESI Act comprise imprisonment, which may extend to three years or a fine or both.

Factories Act, 1948 ("Factories Act")

The Factories Act defines a 'factory' to mean any premises on which on any day in the previous 12 months, 10 or more workers are or were working and on which a manufacturing process is being carried on or is ordinarily carried on with the aid of power; or at least 20 workers are or were working on any day in the preceding 12 months and on which a manufacturing process is being carried on or is ordinarily carried on without the aid of power. State governments prescribe rules with respect to the prior submission of plans, their approval for the establishment of factories and the registration and licensing of factories.

The Factories Act provides that the 'occupier' of a factory (defined as the person who has ultimate control over the affairs of the factory and in the case of a company, any one of the directors) shall ensure the health, safety and welfare of all workers while they are at work in the factory, especially in respect of safety and proper maintenance of the factory such that it does not pose health risks, the safe use, handling, storage and transport of factory articles and substances, provision of adequate instruction, training and supervision to ensure workers' health and safety, cleanliness and safe working conditions.

If there is a contravention of any of the provisions of the Factories Act or the rules framed thereunder, the occupier and manager of the factory may be punished with imprisonment for a term of up to two years or with a fine up to Rs. one Lakh or with both, and in case of contravention continuing after conviction, with a fine of up to Rs.1,000 per day of contravention. In case of a contravention which results in an accident causing death or serious bodily injury, the fine shall not be less than Rs. 25,000 in the case of an accident causing death, and Rs. 5,000 in the case of an accident causing serious bodily injury.

Minimum Wages Act, 1948 ("MWA")

The MWA provides a framework for relevant state governments to stipulate the minimum rate of wages payable to employees in a particular industry. This includes the power to review the minimum rates of wages at regular intervals, such intervals not exceeding five years. The minimum wage may consist of (i) a basic rate of wages and a special allowance, or (ii) a basic rate of wages and the cash value of the concessions in respect of supplies of essential commodities, or (iii) an all-inclusive rate allowing for the basic rate, the cost of living allowance and the cash value of the concessions, if any. Workmen are to be paid for overtime at rates stipulated by the appropriate government. Contravention of the provisions of this legislation may result in imprisonment for a term up to six months or a fine up to Rs. 500 or both.

Payment of Bonus Act, 1965 ("Bonus Act")

The Bonus Act is applicable to every factory or any establishment where 20 or more persons are employed on any day during an accounting year and every employee, employed on a salary not exceeding Rs. 3,500 per mensem, is eligible to be paid a bonus provided he has worked for at least 30 working days in a year. Contravention of the provisions of the Bonus Act by a company is punishable with imprisonment or a fine and every person who, at the time the offence ws committed, was in charge of, and responsible to the company for conducting the business of the company shall be deemed to be guilty along with the company.

Payment of Gratuity Act, 1972 ("Gratuity Act")

Under the Gratuity Act, an employee who has been in continuous service for a period of five years is eligible for gratuity upon retirement or resignation. The entitlement to gratuity in the event of superannuation or death or disablement due to accident or disease, will not be contingent on an employee having completed five years of continuous service. The maximum amount of gratuity payable must not exceed Rs. 3.50 Lakh. An employee in a factory is said to be in "continuous service" for a certain period notwithstanding that his service has been interrupted during that period by sickness, accident, leave, absence without leave, lay-off, strike, lock-out or cessation of work not due to the fault to of the employee. The employee is also deemed to be in continuous service if the employee has worked (in an establishment that works for at least six days in a week) for at least 240 days in a period of 12 months or 120 days in a period of six months immediately preceding the date of reckoning.

Payment of Wages Act, 1936 ("PWA")

The PWA regulates the payment of wages to certain classes of employed persons and makes every employer responsible for the payment of wages to persons employed by such employer. No deductions are permitted from, nor is any fine permitted to be levied on wages earned by a person employed except as provided under the PWA. The PWA also provides the mechanism for resolving claims arising out of deductions from wages, delay in payment of wages and matters incidental to such claims. Applications may be made before the relevant authority within 12 months of the claim having arisen. A claim under the PWA shall be disposed of within a period of three months, which may, if both parties to the dispute agree, be extended, from the date of registration of the claim. Contravention of the provisions of the PWA may attract imprisonment up to six months or a fine up to Rs. 7,500, or both.

Workmen's Compensation Act, 1923 ("WCA")

The WCA makes every employer liable to pay compensation in the event of injury, disability, occupational disease or death to a workman (including those employed through a contractor) due to an accident arising out of or in the course of his employment. If the employer fails to pay the compensation due under the WCA within one month from the date it falls due, the commissioner may direct the employer to pay the compensation amount along with interest and impose a penalty for non-payment.

Regulations Regarding Foreign Investment

Foreign investment in Indian securities is governed by the provisions of the FEMA read with the applicable FEMA Regulations and the FDI Policy issued in November 2006 by the DIPP. Foreign investment is permitted (except in the prohibited sectors) in Indian companies either through the automatic route or the approval route, depending upon the sector in which foreign investment is sought to be made.

Under the automatic route, no prior approval of the GoI is required for the issue of securities by Indian companies/acquisition of securities of Indian companies, subject to the sectoral caps and other prescribed conditions. Investors are required to file the required documentation with the RBI within 30 days of such issue/acquisition of securities. If the foreign investor has any previous joint venture/tie-up or a technology transfer/trademark agreement in the "same field" in India as on January 12, 2005, prior approval from the FIPB is required even if that activity falls under the automatic route, except as otherwise provided.

Under the approval route, prior approval from the FIPB/RBI is required. FDI for the items or activities that cannot be brought in under the automatic route may be brought in through the approval route. Approvals are accorded on the recommendation of the FIPB, which is chaired by the Secretary, DIPP, with the Union Finance Secretary, Commerce Secretary and other key Secretaries of the GoI as its members.

Under the FDI Policy, foreign investors are entitled to indulge in joint operations with Indian counterparts through technological and financial collaborations for establishing renewable energy based power generation projects. Further, the process of foreign investment approval has been liberalized with the aim of providing transfer of technology and foreign financial investments by means of joint ventures. The Government has allowed up to 100.00% FDI in SPV technology, in case of equity. General conditions laid down by the Ministry of Industry, Secretariat for Industrial Approvals and the RBI for setting up an industrial undertaking, are applicable to this sector. It is possible to set up industrial units as joint ventures, as EOUs or under 'Electronic Technology Hardware Park' schemes.

Investment by FIIs

FIIs including institutions such as pension funds, mutual funds, investment trusts, insurance and reinsurance companies, international or multilateral organizations or their agencies, foreign governmental agencies, foreign central banks, asset management companies, investment managers or advisors, nominee companies, power of attorney holders, banks, trustees, endowment funds, university funds, foundation or charitable trusts or societies and institutional portfolio managers can invest in all the securities traded on the primary and secondary markets in India. FIIs are required to obtain an initial registration from the SEBI and a general permission from the RBI to engage in transactions regulated under the FEMA. FIIs must also comply with the provisions of the FII Regulations. The initial registration and the RBI's general permission together enable the registered FII to buy (subject to the ownership restrictions discussed below) and sell freely, securities issued by Indian companies, to realize capital gains or investments made through the initial amount invested in India, to subscribe or renounce rights issues for shares, to appoint a domestic custodian for custody of investments held and to repatriate the capital, capital gains, dividends, income received by way of interest and any compensation received towards sale or renunciation of rights issues of shares.

FIIs are permitted to purchase shares of an Indian company through public/private placement under:

- Regulation 5 (1) of the FEMA Regulations, subject to terms and conditions specified under Schedule 1 of the FEMA Regulations ("**FDI Route**").
- Regulation 5 (2) of the FEMA Regulations subject to terms and conditions specified under Schedule 2 of the FEMA Regulations ("**PIS Route**").

In case of investments under FDI Route, investments are made either directly to the company account, or through a foreign currency denominated account maintained by the FII with an authorised dealer, wherein Form FC-GPR is required to be filed by the company. Form FC-GPR is a filing requirement essentially for investments made by non-residents under the 'automatic route' or 'government approval route' falling under Schedule 1 of the FEMA Regulations.

In case of investments under the PIS Route, investments are made through special non-resident rupee account, wherein Form LEC (FII) is required to be filed by the designated bank of the FII concerned. Form LEC (FII) is essentially a filing requirement for FII investment (both in the primary as well as the secondary market) made through the PIS Route.

Foreign investment under the FDI Route is restricted/ prohibited in sectors provided in part A and part B of Annexure A to Schedule 1 of the FEMA Regulations.

Ownership Restrictions of FIIs

The issue of securities to a single FII under the PIS Route should not exceed 10.00% of the issued and paid-up capital of the company. In respect of an FII investing in securities on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10.00% of the total issued and paid-up capital. The aggregate FII holding in a company cannot exceed 24.00% of its total paid-up capital.

The said 24.00% limit can be increased up to 100.00% by passing a resolution by the board of directors followed by passing a special resolution to that effect by the shareholders of the company.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of Regulation 15A(1) of the FII Regulations, an FII may issue, deal or hold, offshore derivative instruments such as "Participatory Notes", equity-linked notes or any other similar instruments against underlying securities listed or proposed to be listed on any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of "know your client" requirements. An FII or their Sub-Account shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity. FIIs and their Sub-Accounts are not allowed to issue offshore derivative instruments with underlying as derivatives.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief History of our Company

Our Company was incorporated under the Companies Act on April 8, 2005 as "Robin Garments Private Limited". Subsequently, our name was changed to "Robin Solar Private Limited" pursuant to a special resolution of our shareholders dated July 2, 2008 to reflect the present business of our Company i.e., the business of solar cells. A fresh certificate of incorporation consequent to such change of name was granted to our Company by the RoC on July 21, 2008.

The Transferor Company was amalgamated with our Company by an order dated September 16, 2009 of the High Court of Delhi. Pursuant to the amalgamation in terms of the Scheme, our Company's status was changed from private limited company to a public limited company and the name of our Company was changed to "Indosolar Limited" as the erstwhile Transferor Company was widely known. A fresh certificate of incorporation consequent to such change in status and name was granted to our Company by the RoC on October 12, 2009 and October 30, 2009, respectively. For further details of the amalgamation and the Scheme, see "Scheme of Amalgamation" below on page 93.

Our Company is engaged in the business of manufacture poly-crystalline SPV cells from silicon wafers utilizing crystalline silicon SPV cell technology for converting sunlight directly into electricity through a process known as the "photo-voltaic effect". For details on the business of our Company, see the section titled "Our Business" on page 56. Our Company is not operating under any injunction or restraining order.

As on the date of this Red Herring Prospectus, the total number of holders of Equity Shares is 10.

Changes in the Registered Office

At the time of incorporation, the registered office of our Company was situated at F-16, Lajpat Nagar - II, New Delhi 110 024, India. Subsequently by a Board resolution dated January 15, 2008, the registered office of our Company was shifted to C-12, Friends Colony (East), New Delhi 110 065, India. By a Board resolution dated January 16, 2008, the registered office of our Company was shifted back to F-16, Lajpat Nagar - II, New Delhi 110 024. We changed our registered office from F-16, Lajpat Nagar - II, New Delhi 110 024, India to C-12, Friends Colony (East), New Delhi 110 065, India pursuant to a resolution of our Board dated September 17, 2009. The changes in our registered office were for better administration.

Major Events and Milestones

Date	Events
November 21, 2005	Execution of lease deed with the GNIDA for grant of 27,158.78 square meter of land
January 15, 2008	Execution of joint business development agreement with the Transferor Company
January 13, 2008	Execution of supply agreement with Schmid for planning, supply, installation and commission of first line of our solar cell project
February 14, 2008	Change of the object of our Company from the business of readymade garments to solar energy cells
August 31, 2008	Execution of lease agreement by the Transferor Company to lease the equipments to our Company
October 15, 2008	Grant of EOU status to our Company
September 7,2009	Grant of occupancy certificate of Industrial building erected on Plot No 3C/1, Ecotech – II Sector, Udhyog Vihar from GNIDA
January 16, 2009	Execution of facility agreement for grant of loan by a consortium of banks led by Union Bank of India
July 17, 2009	Commencement of commercial production of SPV cells with one manufacturing line having an annual manufacturing capacity of 80 MW
September 16,2009	Approval of the Scheme by the High Court of Delhi at New Delhi
September 24, 2009	Filing of the Scheme with the RoC by the Transferor Company and our Company
September 25, 2009	Grant of Equity Shares in the proportion of 1:1 to the shareholders of Transferor Company, pursuant to the terms of the Scheme
2009	Time overrun with respect to installation of our first SPV cell manufacturing line cost overrun in relation to the two manufacturing lines for our SPV cell.

Date	Events
2009	Associated with the Semiconductor Equipment and Materials International, USA, Indian Semiconductor Association and SESI
2010	Registered as member (till November 30, 2010) of Bharat Oil & Waste Management Ltd. for safe, legal and scientific disposal of hazardous waste
March 17, 2010	Commencement of commercial production of second manufacturing line of SPV cells having an annual manufacturing capacity of 80 MW

Main Objects

The main objects of our Company as contained in our Memorandum are:

- To carry on the business in the online value chain of solar energy systems (poly silicon & chemical technology) processing, casting, cell manufacturing, module manufacturing and system installation.

- To carry on the business as manufacturer, exporters, importers, contractor, subcontractor, seller buyer, agent of wind mills, components and parts including rotor blade, braking systems, towers, nacelle, control units, generator etc.

- To carry on the business as manufacturer, exporters, importers, contractor, subcontractor, seller buyer, agent of renewal energy systems like solar, biomass, solid waste, bye product gases and gases components etc.

- To carry on the business of setting up industrial plants, project consultancy, product marketing and management consultants. To provide consultancy regarding installations of all types of projects and plant & machinery and business management regarding distribution, marketing and selling and to collect, prepare, distribute, information and statistics relating to any type of business or industry relating to solar systems and solar energy.

Amendments to our Memorandum

The following changes have been made to our Memorandum since incorporation:

Date of Shareholders' Approval	Amendment
February 14, 2008	Clause III(C) of our Memorandum was amended by inserting sub-clauses (54) to (56). The same is reproduced hereinbelow: *1. To carry on the business of in the online value chain of Solar Energy Systems (poly Silicon & Chemical Technology) processing, Casting, Cell manufacturing, Module manufacturing and System installation.* *2. To carry on the business as manufacturer, exporters, contractor, sub-contractor, seller, buyer, agent of wind mills, components and parts including rotor blade, braking systems, towers, nacelle, control units, generators etc.* *3. To carry on the business as manufacturer, exporters, importers, contractor, sub-contractor, seller, buyer, agent of renewal energy systems like solar, biomass, solid waste, bye product gases and gases components etc.*
July 2, 2008	Clause III(A) of our Memorandum was amended by substituting sub-clauses (1) to (4) with new sub-clauses. The same is reproduced hereinbelow: *54. To carry on the business of in the online value chain of Solar Energy Systems (Poly Silicon & chemical Technology) processing, Casting, Cell manufacturing, Module manufacturing and System Installation.* *55. To carry on the business of manufacturer, exporters, importers, contractor, sub-contractor, seller, buyers, agent of wind mills, components and parts including rotor blade, braking systems, towers, nacelle, control units, generator etc.*

Date of Shareholders' Approval	Amendment
	56. *To carry on the business as manufacturer, exporters, importers, contractors, sub-contractor, seller, buyers, agent of renewal energy systems like solar, biomass, solid waste, bye product gases and gases component etc.* 57. *To carry on the business of setting up industrial plants, projects consultancy, product marketing and management consultants, to provide consultancy regarding installation of all types of projects and plant & machinery and business management regarding distribution, marketing and selling and to collect, prepare, distribute, information solar systems and solar energy.* Clause V of our Memorandum was amended whereby the authorised share capital of our Company was increased from Rs. 1,00,000 divided into 10,000 Equity Shares to Rs. 2,00,000 divided into 20,000 Equity Shares by creation of additional 10,000 Equity Shares, ranking *pari passu* with the existing Equity Shares.
September 25, 2009	Substitution of previous memorandum of our Company with the memorandum of the Transferor Company pursuant to the Scheme, which became effective on September 24, 2009. Following are the significant changes which have taken place pursuant to the substitution of Memorandum: (a) *Change in Clause I*: Change in name of our Company from "Robin Solar Private Limited" to "Indosolar Limited"; (b) *Changes in Clause III (B)*: Change in objects incidental or ancillary to the attainment of the main objects; (c) *Changes in Clause III (C):* Change in other objects of our Company; (d) *Change in Clause V*: Change in authorized share capital of our Company from Rs. 2,00,000 divided into 20,000 Equity Shares to Rs. 2,00,02,00,000 divided into 20,00,20,000 Equity Shares; and (e) Change in the name of the subscribers.
September 25, 2009	Change in authorized share capital of our Company from Rs. 2,00,000 divided into 20,000 Equity Shares to Rs. 2,00,02,00,000 divided into 20,00,20,000 Equity Shares.
December 15, 2009	Change in authorized share capital of our Company from Rs. 2,00,02,00,000 divided into 20,00,20,000 Equity Shares to Rs. 3,50,00,00,000 divided into 35,00,00,000 Equity Shares.
December 15, 2009	Change in authorized share capital of our Company from Rs. 3,50,00,00,000 divided into 35,00,00,000 Equity Shares to Rs. 5,00,00,00,000 divided into 50,00,00,000 Equity Shares.

Brief History and track record of the Transferor Company

The Transferor Company was originally incorporated as Phoenix Tri-Continental Hotels Limited on February 27, 2006 as a wholly owned subsidiary of Halonix Limited with the object of entering into business of hospitality industry.

It was incorporated with an authorized share capital of Rs. 100 Lakh, which on the date of filing of the Scheme was Rs. 2,000 Lakh. Subsequently, the Transferor Company altered its object clause by its shareholders resolution dated March 5, 2007, in order to explore the business of project consultancy. Subsequently, the Company decided to venture into the business of solar cell and decded to set up solar cell project. By its shareholders resolution dated December 18, 2007, the Transferor Company also changed its name from Phoenix Tri-Continental Hotels Limited to Phoenix Solar India Limited and received a fresh certificate of incorporation from RoC dated January 1, 2008. Subsequently, the Transferor Company decided to change its name from Phoenix Solar India Limited to Indosolar Limited and received a fresh certificate of incorporation from RoC dated December 18, 2008.

In order to implement the solar cell project the Transferor Company entered into a facility agreement dated January 16, 2009 with consortium of banks Andhra Bank, Bank of Baroda, Corporation Bank, Indian Bank and Union Bank of India for financial assistance for an amount of Rs. 46,000 Lakh. Further, the Transferor Company executed a working capital consortium agreement dated May 25, 2009 with consortium of banks Andhra Bank, Bank of Baroda, Corporation Bank, Indian Bank and Union Bank of India for working capital arrangement of Rs. 15,000 Lakh.

The Transferor Company entered into contract dated January 16, 2008 for supply of equipment for the production of solar cells for Line A of 80 Mega Watt capacity with Schmid and further entered into contract dated September 1, 2008 for supply of equipment for the production of solar cells for Line B of 80 Mega Watt capacity with Schmid. Since the Transferor Company had no major operating business before the amalgamation, it has no track record of income from business. For financial information of the Transferor Company, please see the section titled "Financial Information of the Transferor Company" on page F-40.

Scheme of Amalgamation

Our Promoters had ventured into the business of SPV cells in the Transferor Company. The Erstwhile Promoters, were carrying on the business of ready made garments through our Company. The Erstwhile Promoters, entered into a joint business development agreement dated January 15, 2008 with the Transferor Company for joint development of the Land, pursuant to which the Transferor Company was granted the exclusive, unhindered and irrevocable right to develop the Land by employing it own funds and to use it for the purposes as agreed between the parties. Accordingly the purpose of utilization of the Land was changed from ready made garments to solar cell. Pursuant to the joint business development agreement, the Transferor Company paid an amount of Rs. 235.91 Lakh as interest free security deposit to our Company and was also given a right to appoint three additional directors on the Board.

Further, the Erstwhile Promoters gave an irrevocable power of attorney dated January 15, 2009 to Mr. Bhushan Kumar Gupta and Mr. Hulas Rahul Gupta to run and manage the business of our Company and to enter into any business as they may deem fit without any restriction.

The Transferor Company and our Company have entered into a lease deed dated August 31, 2008 for an initial term of five years, wherein the Transferor Company has agreed to lease to our Company machinery, furniture and fixtures, office equipment and motor vehicles ("**Equipment**"), to be installed on the Land. As consideration of the Equipment given on lease, the entire production by our Company of solar cells during the lease term will be sold to the Transferor Company on mutually agreed rates.

Thus, Mr. Bhushan Kumar Gupta and Mr. Hulas Rahul Gupta were carrying on the business of solar cell in the name of our Company with their own funds and also entered into various other agreements in this regard including a memorandum of understanding for sale of Land upon receipt of functionality certificate and a put and call option agreement with the Erstwhile Promoters, (which all agreements have become ineffective post amalgamation of the Transferor Company with our Company).

The Transferor Company, our Company, the Erstwhile Promoters and our Promoters decided to consolidate the business of SPV cell manufacturing under the name of one entity and hence they filed a scheme of amalgamation under Sections 391 to 394 of the Companies Act for amalgamating the Transferor Company with our Company before the High Court of Delhi at New Delhi on April 15, 2009.

The High Court of Delhi by its order dated September 16, 2009 approved the Scheme with effect from the appointed date i.e., January 1, 2009 under the provisions of Sections 391 to 394 and other relevant provisions of the Companies Act. Subsequently, the Scheme was filed with the RoC by our Company and the Transferor Company on September 24, 2009 and became effective on September 24, 2009.

Set forth below are certain key features of the Scheme:

(i) *Issue and allotment of Equity Shares:* Our Company issued one Equity Share credited as fully paid up for every one equity share of Rs. 10 each fully paid up held by the members of the Transferor Company. Accordingly our Company allotted 20,00,00,000 Equity Shares on September 25, 2009. For further details of the allotment, see the section titled "Capital Structure" on page 19.

(ii) *Reduction in the paid up share capital:* The entire paid up equity share capital of our Company (as existing prior to the Effective Date) was reduced and an aggregate amount of Rs. 1,00,000 was paid off to the Erstwhile Promoters as part of the Scheme. In addition, the

Erstwhile Promoters were paid an amount of Rs. 2,273.50 Lakh as consideration towards extinguishment of their shareholding in our Company.

(iii) *Increase in the authorised share capital:* The authorised share capital of the Transferor Company as on the Effective date was added to the authorised share capital of our Company and thus the authorised share capital of our Company was increased. The authorized and issued share capital of the Transferor Company was Rs. 2,00,00,00,000 divided into 20,00,00,000 equity shares of Rs. 10 each, fully paid up as on the Effective Date.

(iv) *Transfer of Undertaking of the Transferor Company:* All the assets and properties of the Transferor Company, whether current or fixed, movable or immovable, tangible or intangible were transferred to our Company on a going concern basis; and all debts, liabilities, duties and obligations of every kind, nature and description of the Transferor Company were transferred to our Company so as to become the debts, liabilities, duties and obligations of our Company.

(v) *Contracts, Deeds, Bonds and other Instruments:* All contracts, deeds, agreements, bonds and other instruments of whatsoever nature to which the Transferor Company is party, remain in full force and effect against or in favour of our Company and are binding on and enforceable by and against our Company; and any contract(s) between the Transferor Company and our Company shall be extinguished.

(vi) *Board of Directors:* The board of directors of our Company will stand substituted with the board of directors of the Transferor Company.

(vii) *Legal Proceedings:* All suits, claims, actions and proceedings by or against the Transferor Company pending and/or arising on or before the Effective Date shall be continued and be enforced by or against our Company as effectually as the same had been instituted by or pending and/or arising against our Company.

(viii) *Employees of the Transferor Company:* All employees of the Transferor Company who were in the employment of the Transferor Company as on the Effective date, became the employee of our Company, on the basis that their services have not been interrupted because of the transfer

(ix) *Change in the name and status of our Company:* As the Transferor Company was widely known, , the name of the Transferor Company was retained by our Company and the name of our Company was changed from "Robin Solar Private Limited" to "Indosolar Limited" and our Memorandum and Articles of Association were substituted by the memorandum and articles of association of the Transferor Company and the status of our Company was changed from a "private limited company" to a "public limited company", without any further act or deed.

(ix) *Dissolution without winding up:* From the Effective Date, the Transferor Company stood dissolved without going through the process of winding up.

Capital build up of the Transferor Company

S. No.	Date of allotment	Reasons for allotment/ Transfer	Allottee/ Transferee	No. of equity shares of face value of Rs. 10 each	Acquisition/ Issue Price (Rs.)	Nature of Consideration
1.	June 12, 2006	Acquisition from Halonix Limited	Mr. Bhushan Kumar Gupta	1	10	Cash
2.			Mr. Atul Kumar Mittal	1	10	Cash
3.			Ms. Priya Desh Gupta	1	10	Cash
4.			Ms. Abha Gupta	1	10	Cash
5.			Mr. Anand Kumar Agarwal	1	10	Cash
6.			Mr. Gurbaksh Singh	1	10	Cash

S. No.	Date of allotment	Reasons for allotment/ Transfer	Allottee/ Transferee	No. of equity shares of face value of Rs. 10 each	Acquisition/ Issue Price (Rs.)	Nature of Consideration
			Vohra			
7.			Mr. Hulas Rahul Gupta	49,994	4,99,940	Cash
8.	March 31, 2008	Allotment	Mr. Hulas Rahul Gupta	2,53,00,000	25,30,00,000	Cash
9.			Mr. Bhushan Kumar Gupta	26,50,000	2,65,00,000	Cash
10.	May 20, 2008	Allotment	Mr. Hulas Rahul Gupta	2,70,00,000	27,00,00,000	Cash
11.			Mr. Bhushan Kumar Gupta	3,00,00,000	30,00,00,000	Cash
12.	August 25, 2008	Allotment	Mr. Bhushan Kumar Gupta	1,13,50,000	11,35,00,000	Cash
13.			Mr. Hulas Rahul Gupta	86,50,000	8,65,00,000	Cash
14.			Greenlite Lighting Corporation	3,00,00,000	30,00,00,000	Cash
15.	December 4, 2008	Allotment	Mr. Hulas Rahul Gupta	38,85,500	3,88,55,000	Cash
16.			Mr. Bhushan Kumar Gupta	60,00,000	6,00,00,000	Cash
17.			Greenlite Lighting Corporation	4,01,14,500	40,11,45,000	Cash
18.	December 30, 2008	Allotment	Mr. Hulas Rahul Gupta *	1,00,00,000	10,00,00,000	Cash
19.			Mr. Bhushan Kumar Gupta*	50,00,000	5,00,00,000	Cash
		Total		**20,00,00,000**	**2,00,00,00,000**	

**The equity shares were initially allotted as partly paid-up shares. However, by a Board resolution dated May 25, 2009, these equity shares were made fully paid up.*

Disassociation of Erstwhile Promoters from our Company

Our Company was initially promoted by Mr. Manmohan Singh and Mr. Bhupendra Singh. However, pursuant to the Scheme, the shareholding of the Erstwhile Promoters was extinguished and they were paid Rs. 2,273.50 Lakh in proportion to their shareholding in our Company. The Erstwhile Promoters disassociated themselves from our Company, by virtue of a business disassociation agreement dated October 28, 2009 entered into amongst the Erstwhile Promoters, our Company and the Promoters. The business disassication agreement is effective from September 24, 2009 ("**Effective Date**").

The key provisions of the business disassociation agreement are as follows:

- The Erstwhile Promoters will cease to be the promoters of our Company and will neither control our Compoany nor hold any Equity Shares either in a direct or an indirect manner and will not have any influence on the business of our Company either directly or indirectly.

- Further, neither the Erstwhile Promoters nor any of their affiliates will continue to be on our Board.

- For a period of five years from the Effective Date, neither the Erstwhile Promoters nor their affiliates will undertake any business which is similar or related to the business of our Company and will not enter into any transactions or agreements with our Company.

Time and Cost Overrun

We have experienced time and cost overruns in the past. There were delays of three and five months, respectively, in relation to the installation of our first two SPV cell manufacturing lines having an annual manufacturing capacity of 80 MW each and commencement of commercial production in relation thereto. The time overrun for the first manufacturing line was primarily due to breakage of plant and machinery during transit whereas that for the second manufacturing line was caused due to delay in shipment of equipment by Schmid. There has been a cost overrun of Rs. 4,960.10 Lakh and Rs. 369.05 Lakh, respectively, in the two manufacturing lines for our SPV cells. The cost overrun for the first manufacturing line was primarily due to factors such as change in design of building, escalation in prices of steel and cement since the date of financial closure, fluctuation in currency rates and procurement of certain additional auxiliary equipments whereas that for the second manufacturing line was caused due to delay in shipment of equipment by Schmid and resultant finance charges. For details in relation to efforts made by our Company in relation to the cost overruns, see the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 117.

Shareholders' Agreements

Share Subscription Agreement with Brand Equity Treaties Limited

Brand Equity Treaties Limited ("**BETL**") has executed a share subscription agreement dated March 30, 2010 ("**SSA**") with our Company and our Promoters (collectively referred to as the "**Parties**"). Pursuant to the SSA, our Company has allotted 14,00,000 Equity Shares ("**Subscription Shares**") to BETL, on March 31, 2010, at a price of Rs. 36 per Equity Share aggregating to Rs. 504 Lakh. As per the SSA, the Subscription Shares will be subject to a lock-in, in accordance with the provisions of the SEBI Regulations for a period of one year from the date of Allotment.

The SSA grants certain rights in favour of BETL, including a put-option right tag-along right and right of first refusal, right to obtain information from our Company, such as, our Company's financial statements within the time specified in the SSA, details of shareholding structure of our Company, such other information and documents regarding the performance of our Company, as permitted under law. Further, the SSA also provides that our Company shall not be merged or restructured in any way, without the prior written consent of BETL.

All provisions of the SSA shall terminate upon the listing of the Subscription Shares on any recognized stock exchange in India. However, in the event the SSA is terminated on account of breach of the SSA by our Company, the SSA provides that BETL's right with respect to the put option on our Promoters and the tag along right on our Promoters shall survive the termination of the SSA.

Pursuant to the SSA, our Company has executed an advertising agreement dated March 30, 2010 with BETL ("**Advertising Agreement**"), whereby for a consideration of Rs. 504 Lakh, BETL will advertise our Company's products, services and brands, on a non-exclusive basis, in: (i) non print media, as specified in the Advertising Agreement; and (ii) all newspapers, published and/ or distributed by Bennett Coleman & Co. Ltd., in any language within the territory of India. The term of the Advertising Agreement is from April 1, 2010 till March 31, 2011.

Equity Share Subscription Agreement with Schmid Singapore Pte. Ltd.

Schmid Singapore Pte. Ltd. has executed an equity share subscription agreement dated April 27, 2010 ("**Subscription Agreement**") with our Company. Pursuant to the Subscription Agreement, our Company has allotted 36,40,579 Equity Shares to Schmid Singapore Pte. Ltd., on June 1, 2010, at a price of Rs. 40 per Equity Share aggregating to Rs. 1,456.23 Lakh. As per the Subscription Agreement, the Equity Shares allotted to Schmid Singapore Pte. Ltd. will be subject to a lock-in, in accordance with the provisions of the SEBI Regulations for a period of one year from the date of Allotment.

Strategic and Financial Partners

Our Company currently does not have any strategic or financial partners.

Joint Ventures and Associates

Our Company does not presently have any joint ventures and associates.

Subsidiary and Holding Company

As on the date of filing of this Red Herring Prospectus, our Company does not have any subsidiary or holding company.

Other Material Agreements

Lease Deed with Greater Noida Industrial Development Authority ("Lease Deed")

We have entered into a lease deed dated November 21, 2005 with the GNIDA for lease of plot no. 3C/1, Udyog Vihar admeasuring 27,158.78 square meters situated within the Greater Noida Industrial Development Area, for a period of 90 years commencing from November 27, 2005.

The lease rent would be Rs. 5.75 Lakh p.a., subject to price escalations clause. Further, we are required to pay one time premium of Rs. 230.03 Lakh. In case of default in payment of lease rent, interest at the rate of 17.00% p.a., would get attracted. Further, default in payment of premium and interest for two consecutive instalments, shall entitle GNIDA to determine the lease and to resume possession.

Prior permission of GNIDA shall be necessary before mortgaging the leased premises. We are required to obtain the building plan approvals within six months from the date of the possession. We are also required to obtain a completion certificate within 48 months from the date of confirmation of allotment of land. We are also subject to provisions of the Uttar Pradesh Industrial Area Development Act, 1976.

We are required to inform GNIDA about any alteration in our Memorandum, Articles or capital structure. If we commit breach of any of the covenants or conditions contained in the Lease Deed, it shall be lawful for GNIDA to re-enter the leased premises and the lease shall stand determined.

OUR MANAGEMENT

Under our Articles, our Company is required to have not less than three Directors and no more than 12 Directors. Our Company currently has six Directors on its Board of which three are executive Directors and the remaining three are independent and non executive Directors.

Our Board

The following table sets forth details regarding our Board as on the date of this Red Herring Prospectus.

Name, Father's Name, Address, Designation, Occupation and Term	Age (years)	DIN	Nationality	Other Directorships
Mr.Bhushan Kumar Gupta* S/o Late Mr. Madhoram C-12, Friends Colony (East), New Delhi 110 065, India. Executive Chairman Occupation: Business Term: From September 26, 2009 to Sepetmber 25, 2012	74	00168071	Canadian	None
Mr. Hulas Rahul Gupta* S/o Mr. Bhushan Kumar Gupta C-12, Friends Colony (East), New Delhi 110 065, India. Managing Director Occupation: Business Term: From September 26, 2009 to Sepetmber 25, 2012	51	00297722	British	None
Mr. Anand Kumar Agarwal** S/o Mr. J. N. Agarwal 38, RPS Flats, Sheikh Sarai Phase-I, New Delhi 110 017, India. Executive Director and Chief Financial Officer Occupation: Service Term: From September 26, 2009 to Sepetmber 25, 2012	61	00155299	Indian	None
Mr. Ravinder Khanna S/o Late Mr. Jai Deva Khanna A-804, Central Park, Sector-42, Gurgaon122 002, Haryana, India. Independent Non Executive	51	01005216	Indian	Lifelong India Limited Helivolt Corporation, Austin, Texas Scatec Solar AS, Oslo Norway

Name, Father's Name, Address, Designation, Occupation and Term	Age (years)	DIN	Nationality	Other Directorships
Director Occupation: Service				Scatec Solar India Pvt. Ltd.
Mr. Aditya Jain S/o Mr.Prakash Chandra Jain R/o F-63, Radhey Mohan Drive, Gadaipur Bandh Road, Chatarpur, Mehrauli, New Delhi 110 074, India Independent Non Executive Director Occupation: Business	50	00835144	Indian	Shriram Transport Finance Company Limited International Market Assessment India Private Limited IMA Corporate Advisory Services Private Limited EIU India Private Limited PR Pundit Public Relations Private Limited Mahanagar Telephone Nigam Limited
Mr. Gautam Singh Kuthari S/o Mr Aridaman Singh Kuthari Address: Bargola Building, Fancy Bazar, Guwahati 781 001, Assam, India Independent Non Executive Director Occupation: Business	51	00945195	Indian	Assam Textile Mills (P) Limited Aesthetic Trade Links (P) Limited

* *Mr. Bhushan Kumar Gupta and Mr. Hulas Rahul Gupta were re-inducted on to the newly reconstituted Board on Septembe 25, 2009 pursuant to the terms of the Scheme. However, they were originally appointed on the board of directors of our Company on January 15, 2008.*
** *Mr. Anand Kumar Agarwal was re- inducted on to the newly reconstituted Board on September 25, 2009 pursuant to the terms of the Scheme. However, he was originally appointed on the board of directors of our Company on July 1, 2008.*

Brief Profile of our Directors

Mr. Bhushan Kumar Gupta, aged 74 years, is the Chairman of our Company since September 26, 2009 and is associated with our Company since January 15, 2008. Mr. Bhushan Kumar Gupta is a Canadian national and holds a Canadian passport. He is an enterpreneur. He holds wide experience in various industries, including lamp manufacturing industry in which he has around 19 years of experience. Prior to joining us, he was the chairman of Transferor Company. He has also promoted Halonix Limited, where he acted as the managing director from March 26, 1991 to March 31, 2000 and as chairman from April 30, 2004 to March 10, 2007.

Mr. Hulas Rahul Gupta, aged 51 years, is the Managing Director of our Company since September 26, 2009 and is associated with our Company since January 15, 2008. Mr. Hulas Rahul Gupta is a British national and holds a British passport. As Managing Director of our Company, he is responsible for its operations, growth and future prospects. He holds a bachelor's degree in business administration from Concordia University, Montreal (Canada). Prior to joining us, he was Managing Director of Transferor Company. He played an instrumental role in Halonix Limited, where he acted as the: joint managing director from September 3, 1991 to March 31, 2000; managing director from April 1, 2000 to March 28, 2003 and then again from April 30, 2004 to March 10, 2007; and chairman cum managing director from March 29, 2003 to April 29, 2004. He is currently also a convenor of the industry wing of SESI.

Mr. Anand Kumar Agarwal, aged 61 years, is an Executive Director and and Chief Financial Officer of our Company since July 1, 2008 and carries the overall responsibility for 'Finance' and 'Accounts' in our Company. He holds a bachelors degree in commerce from Shri Ram College of Commerce, New Delhi. He has long and varied business experience of over 35 years in the field of sales, finance, taxation, legal, business administration and planning. Prior to joining us, he was a director in Halonix Limited from March 26, 1991 to January 28, 2008.

Mr. Ravinder Khanna, aged 51 years, is an Independent Non-Executive Director of our Company since December 14, 2009. He holds a Bachelors degree in Mechanical Engineering from P.E.C, Chandigarh India and a Masters degress in Business Administration from Symbiosis, Pune India. He has long and varied business experience of over 20 years in the field of Marketing, Sales, Finance, etc.

Mr. Aditya Jain, aged 50 years, is an Independent Non-Executive Director of our Company since December 14, 2009. He holds a bachelor's degree in mechanical engineering from Birla Institute of Technology, India and a master's degree in business administration from the Henley Management College, UK. He is a Fellow of the Royal Geographical Society. He has long and varied business experience of over 25 years in the field of Corporate Advisory Services, Mergers & Acquisitions, etc.

Mr. Gautam Singh Kuthari, aged 51 years, is an Independent Non-Executive Director of our Company since December 14, 2009. He holds a bachelors degree in commerce form the Delhi University. He has business experience spanning 31 years in various fields such as textile, soft drinks, advertisements, flim making, international commodity trading, fast moving consumer goods, ship breaking, lighting to Metal Finishing Industry.

Relationships between Directors and Key Managerial Personnel

Mr. Bhushan Kumar Gupta is the father of Mr. Hulas Rahul Gupta. Except the foregoing, none of our Directors and Key Managerial Personnel are related to each other.

Remuneration details of our Directors:

a. Remuneration details of our Executive Chairman:

The remuneration details of our Executive Chairman p.a. is as set forth below and we have made an application dated December 22, 2009 to the Central Government to approve the same which is currently pending:

SL No.	Particulars	Amount (Rs. In Lakh)
1	Salary	150.00
2	House Rent Allowance	90.00
3	Medial Reimbursement and Leave Travel Concession	5.00
	Total	**245.00**

In addition, Mr. Bhushan Kumar Gupta is entitled to the following:

1. Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the IT Act;
2. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and
3. Provision of car with a driver for use on our Company's business and telephone at resident at the cost of our Company.

Mr. Bhushan Kumar Gupta was paid an amount of Rs. 263.38 Lakh (including an amount of Rs. 18.00 Lakh towards contribution to provident fund and an amount of Rs. 0.38 Lakh towards provision of car with a driver for use on our Company's business) during the last Fiscal. Mr. Bhushan Kumar Gupta was not paid any benefits in kind and there is no contigent or deferred compensation paid/payable to him.

b. Remuneration details of our Managing Director:

The remuneration details of our Managing Director p.a. is as set forth below and we have made an application dated December 22, 2009 to the Central Government to approve the same which is currently pending:

SL No.	Particulars	Amount (Rs. In Lakh)
1	Salary	112.80
2	House Rent Allowance	67.68
3	Medial Reimbursement and Leave Travel Concession	5.00
	Total	**185.48**

In addition, Mr. Hulas Rahul Gupta is entitled to the following:

1. Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the IT Act;
2. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service, and
3. Provision of car with a driver for use on our Company's business and telephone at resident at the cost of our Company.

Mr. Hulas Rahul Gupta was paid an amount of Rs. 194.76 Lakh (including an amount of Rs. 13.54 Lakh towards contribution to provident fund and an amount of Rs. 0.38 Lakh towards provision of car with a driver for use on our Company's business) during the last Fiscal. Mr. Hulas Rahul Gupta was not paid any benefits in kind and there is no contingent or deferred compensation paid/payable to him.

c Remuneration details of our Executive Director:

The maximum remuneration payable to our Executive Director was approved in the shareholders resolution dated October 27, 2009 and Mr. Hulas Rahul Gupta was given the authority to fix the remuneration payable to Mr. Agarwal within the maximum limits as mentioned below. We have made an application dated December 22, 2009 to the Central Government to approve the remuneration payable to our Executive Director and the same is currently pending:

SL No.	Particulars	Amount (Rs. In Lakh)
1	Salary	40.00
2	House Rent Allowance	24.00
3	Medial Reimbursement and Leave Travel Concession	2.00
	Ex-Gratia	8.00
	Total	**74.00**

In addition, Mr. Anand Kumar Agarwal is entitled to the following:

1. Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the IT Act;
2. Gratuity payable at a rate not exceeding half a month's salary for each completed year of service,
3. Encashment of leave at the end of the tenure, and
4. Provision of car with a driver for use on our Company's business and telephone at resident at the cost of our Company.

Mr. Anand Kumar Agarwal was paid an amount of Rs. 46.38 Lakh (including an amount of Rs. 2.88 Lakh towards contribution to provident fund and an amount of Rs. 0.38 Lakh towards provision of car with a driver for use on our Company's business) during the last Fiscal. Mr. Anand Kumar Agarwal was not paid any benefits in kind and there is no contingent or deferred compensation paid/payable to him.

d. Remuneration details of our Non-executive and Independent Directors

Apart from a sitting fee of Rs. 20,000 (Rupees Twenty Thousand only) paid for attending the meeting of our Board or a committee thereof and reimbursement of the travelling and other incidental expenses as may be incurred by the Independen Non Exectuive Directors for attending such Board Meetings and Committee Meetings, the Independent Non Executive Directors do not receive any other remuneration from our Company. The sitting fee for our Directors has been fixed pursuant to a Board resolution dated December 14, 2009.

Shareholding of Directors in our Company

For details of shareholding of our Directors in our Company, see the section titled "Capital Structure" on page 19. Our Directors are not required to hold any qualification Equity Shares.

Arrangements or understanding

There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which the Directors were selected as Directors or members of senior management.

Service Contracts

There are no service contracts entered into by the Directors with our Company providing for benefits upon termination of employment.

Interest of Directors

All of our executive Directors may be deemed to be interested to the extent of remuneration payable to them for services rendered by them in their capacity as executive directors. All the independent and non executive Directors may be deemed to be interested to the extent of sitting fees paid/payable to them for attending the Board/committee meetings.

Further, the Director may also be deemed to be interested to the extent of their shareholding, if any in our Company. For details of such shareholding, see the section titled "Capital Structure" on page 19.

Except for Mr. Bhushan Kumar Gupta and Mr. Hulas Rahul Gupta, none of our Directors are interested in the promotion of our Company. Our Directors have no interest in any property acquired by our Company within two years of the date of filing of this Red Herring Prospectus or presently intended to be acquired by our Company as disclosed in this Red Herring Prospectus.

Changes in our Board during the last three years

Name	Date of Appointment	Date of Cessation	Reason
Mr. Manmohan Singh	April 8, 2005	September 17,2009	Resignation
Mr. Bhupendra Singh	April 8, 2005	September 17,2009	Resignation
Mr. Sewa Singh	January 23, 2006	December 3, 2007	Resignation
Mr. Atul Kumar Mittal	January 15, 2008	July 1, 2008	Resignation
Mr. Bhushan Kumar Gupta*	September 25, 2009	--	Appointment
Mr. Hulas Rahul Gupta*	September 25, 2009	--	Appointment
Mr. Anand Kumar Agarwal**	September 25, 2009	--	Appointment
Mr. Ravinder Khanna	December 14, 2009	--	Appointment
Mr. Aditya Jain	December 14, 2009	--	Appointment
Mr. Gautam Singh Kuthari	December 14, 2009	--	Appointment

* *Mr. Bhushan Kumar Gupta and Mr. Hulas Rahul Gupta were re-inducted on to the newly reconstituted Board on September 25, 2009 after their resignation on September 25, 2009 pursuant to the terms of the Scheme. However, they were originally appointed on our Board on January 15, 2008.*

** *Mr. Anand Kumar Agarwal was re-inducted on to the newly reconstituted Board on September 25, 2009 after his resignation on September 25, 2009 pursuant to the terms of the Scheme. However, he was originally appointed on our Board on July 1, 2008.*

Corporate Governance

The provisions of the listing agreement to be entered into with the Stock Exchanges with respect to corporate governance and the SEBI Regulations in respect of corporate governance will be applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchanges. Our Company has complied with the corporate governance code in accordance with Clause 49 (as applicable), particularly, in relation to appointment of independent Directors to our Board and constitution of the audit committee, the investor grievance committee and the remuneration committee.

The Board functions either as a full Board or through various committees constituted to oversee specific operational areas. Our Company undertakes to take all necessary steps to continue to comply with all the requirements of Clause 49 of the listing agreement to be entered into with the Stock Exchanges.

Currently our Board has six directors, of which the Chairman of the Board is an executive Director, and in compliance with the requirements of Clause 49 of the Listing Agreement, our Company has three executive Directors and three non-executive Directors on our Board, of whom three are independent Directors.

In terms of the Clause 49 of the Listing Agreement, our Company has constituted the following committees:

(a) Audit Committee; and
(b) Investors' Grievance cum Share Transfer Committee

Audit Committee

The audit committee was constituted by the Directors at their Board meeting held on December 14, 2009 ("**Audit Committee**"). The Audit Committee comprises:

Name of the Directors	Designation
Mr. Aditya Jain	Chairman
Mr. Ravinder Khanna	Member
Mr. Gautam Singh Kuthari	Member

A. Powers of the Audit Committee:

The Audit Committee shall have powers, which should include the following:

1. To investigate any activity within its terms of reference;
2. To seek information from any employee;
3. To obtain outside legal or other professional advice;
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

B. *Role of Audit Committee:*

The role of the Audit Committee shall include the following:

1. Oversight of our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommending to the Board of Directors, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements before submission to the Board of Directors for approval, with particular reference to:

    a. Matters required to be included in the Director's Responsibility Statement to be included in the Board of Directors' report in terms of clause (2AA) of section 217 of the Companies Act;
    b. Changes, if any, in accounting policies and practices and reasons for the same;
    c. Major accounting entries involving estimates based on the exercise of judgment by management;
    d. Significant adjustments made in the financial statements arising out of audit findings;
    e. Compliance with listing and other legal requirements relating to financial statements;
    f. Disclosure of any related party transactions;
    g. Qualifications in the draft audit report.

5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
8. Discussion with internal auditors any significant findings and follow up there on;
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
10. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
12. To review the functioning of the Whistle Blower mechanism, in case the same is existing;
13. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

C. Review of information by Audit Committee:

The Audit Committee shall mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee.

Investors' Grievance cum Share Transfer Committee

The Investors' Grievance cum Share Transfer Committee was constituted by the Directors at Board meeting held on December 14, 2009 ("**Investor Grievance Committee**"). The Company Secretary of our Company shall be the secretary to the Investor Grievance Committee. The Investors' Grievance cum Share Transfer Committee comprises:

Name of the Directors	Designation
Mr. Gautam Singh Kuthari	Chairman
Mr. Anand Kumar Agarwal	Member
Mr. Hulas Rahul Gupta	Member

Scope and terms of reference: the Investors' Grievance cum Share Transfer Committee has been constituted to specifically look into the redressal of all shareholders and investors' complaints and shall have powers to seek all information from and inspect all records of our Company relating to shareholders' and investors' complaints including:

1. To approve the request for transfer, transmission, etc. of shares;
2. To approve the dematerialization of shares and re-materialization of shares;
3. To consider and approve, split, consolidation and issuance of duplicate shares;
4. To review from time to time overall working of the secretarial department of the company relating to the shares of the company and functioning of the share transfer agent and other related matters.

Other Committees

In addition to the above committees, our Board has also constituted the following committees:

1. Remuneration Committee; and
2. IPO Committee.

Remuneration Committee

The Remuneration Committee was constituted by the Directors at Board meeting held on December 14, 2009 ("**Remuneration Committee**"). The Remuneration Committee comprises:

Name of the Directors	Designation
Mr. Aditya Jain	Chairman
Mr. Ravinder Khanna	Member
Mr. Gautam Singh Kuthari	Member

Scope and terms of reference:

The Remuneration Committee has the power to determine our Company's policy on specific remuneration packages including pension rights and other compensation for executive directors and other senior employees of our Company equivalent to or higher than the rank of General Manager and the Committee shall have the jurisdiction over the matters listed below and for this purpose the Remuneration Committee shall have full access to information contained in the records of our Company and external professional advice, if necessary:

a. To fix and finalise remuneration including salary, perquisites, benefits, bonuses, allowances, etc.;
b. Fixed and performance linked incentives along with the performance criteria;
c. Increments and Promotions;
d. Service Contracts, notice period, severance fees; and
e. Ex-gratia payments.

IPO Committee

The IPO committee was constituted by the Directors at Board meeting held on December 14, 2009 ("**IPO Committee**"). The IPO Committee comprises:

Name of the Directors	Designation
Mr. Bhushan Kumar Gupta	Chairman
Mr. Hulas Rahul Gupta	Member
Mr. Anand Kumar Agarwal	Member

Scope and terms of reference: The IPO Committee has been constituted to approve, implement, negotiate, carry out and decide upon all activities relating to this Issue, including, preparing, approving, finalising and filing the Draft Red Herring Prospectus and the Red Herring Prospectus with SEBI, the Stock Exchanges and other regulatory bodies as may be required, approving a code of conduct and a suitable policy on insider trading, approving any corporate governance requirement, deciding on the number of Equity Shares to be offered in this Issue and appointing various intermediaries and advisors to this Issue as may be necessary including determining their remuneration, opening of bank accounts, securities account, escrow or custodian accounts, seeking listing of Equity Shares with the Stock Exchanges, seeking consent o the lenders with whom our Company has entered into various commercial agreements, determining and finalising the price band, bid opening and closing date of this Issue, approving and finalising the 'Basis of Allocation', determining the price at which the Equity Shares are to be offered to the investors.

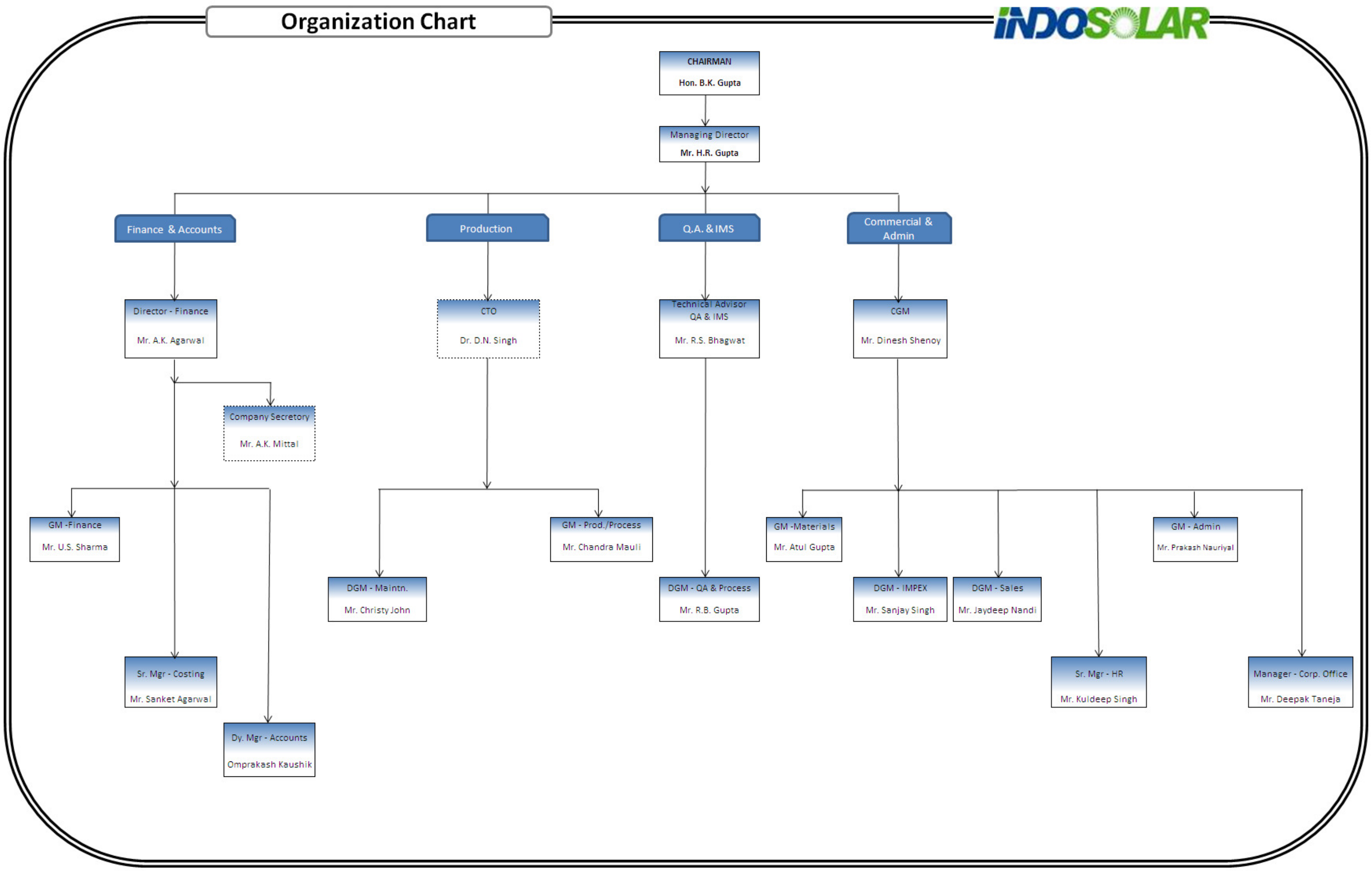
Borrowing Powers of our Board

Pursuant to a resolution of the shareholders of our Company dated October 27, 2009, the Board has been authorized to borrow sums of money, not exceeding Rs. 1,50,000 Lakh, exclusive of tax, for the purpose of business of our Company with or without security and upon such terms and conditions as the Board may think fit, notwithstanding that the moneys to be borrowed together with the moneys already borrowed by our Company are over and above the paid up capital and free reserves of our Company.

For further details on the borrowing powers of the Board as authorised by our Articles of Association see the section titled "Main provisions of Articles of Association" on page 203.

For details of our Company's borrowing, see the section titled "Financial Indebtedness" on page 140.

Management Organisational Structure



Key Managerial Personnel

Except Mr. R.S Bhagwat, all our Key Managerial Personnel mentioned below are our permanent employees.

The following are the details of our Key Managerial Personnel:

Dr. Dina Nath Singh, aged 60 years, is the Chief Technical Officer of our Company and carries the overall responsibility for 'Production', 'Technology', 'Utility', 'Maintenance' and 'Research & Development' ("**R&D**") in our Company. The services of Mr. Dina Nath Singh were transferred from the Transferor Company to our Company with effect from January 1, 2009. He holds a masters degree and a Ph.D. in electronics from the Indian Institute of Technology, New Delhi and is a member of the Institute of Electrical and Electronics Engineers. He has over 35 years of experience in the field of semiconductors, VLSI design, manufacturing and R&D matters. From August 2006 to June 2008 he was the professor and co-ordinate (head of department) of the information technology department, Punjab University, Chandigarh. Before joining our Company, he served as the president of Titan Energy System Limited from June, 2008 to November 2008. The remuneration paid to him for Fiscal 2010 was Rs. 39.34 Lakh.

Mr. Rajeev Bhooshan Gupta, aged 41 years, is the Deputy General Manager, 'Quality Assurance' and 'Process' of our Company since March 7, 2009 and carries the overall responsibility for 'Quality' and 'Process' in our Company. He holds a master's degree in material science and technology from the Institute of Technology, Benaras Hindu University, Varanasi. He has over 15 years of experience in the field of R&D and new product development and was the manager, R&D in Samtel Color Limited from July 2000 to November 2005. Before joining our Company, he served as the assistant general manager, solar in Videocon Industries Limited, Italy from July 2008 to February 2009. The remuneration paid to him for Fiscal 2010 was Rs. 13.37 Lakh.

Mr. Atul Gupta, aged 52 years, is the General Manager 'Purchase' of our Company since October 10, 2008 and carries the overall responsibility for 'Purchase' in our Company. He has cleared the intermediate examination conducted by the Institute of Chartered Accountants of India. He has over 29 years of experience in the field of developing new vendors and procurement of raw materials. He has in the past worked with Sylvania Laxman Limited as deputy general manager - materials from 1985 to 1996. Before joining our Company, he served in Halonix Limited, from November 1996 to September 2008, including in the capacity of general manager - supply chain management. The remuneration paid to him for Fiscal 2010 was Rs. 16.59 Lakh.

Mr. Atul Kumar Mittal, aged 51 years, is the Company Secretary of our Company and carries the overall responsibility of the secretarial department, including legal matters. The services of Mr. Atul Kumar Mittal were transferred from the Transferor Company to our Company with effect from January 1, 2009. He is an associate member of the Institute of the Cost and Works Accountants of India and an associate member of the Institute of Company Secretaries of India. He has over 29 years of experience in secretarial affairs. Before joining our Company, he served in Halonix Limited from June 1995 to December 2007 as Company Secretary. The remuneration paid to him for Fiscal 2010 was Rs. 22.94 Lakh.

Mr. Chandra Mauli Kumar, aged 40 years, is the General Manager 'Production process Engineering & R&D' of our Company since January 27, 2009 and carries the overall responsibility for 'Production' in our Company. He holds a masters degree in electronics from Delhi University. He has over 13 years of experience in the field of semi conductor devise and solar cell manufacturing technology, solar cell line installation and commissioning, process optimisation, writing standard operating procedure, process control sheet, failure mode errecte analysis, preventive maintenance, schedules and quality methodology. Before joining our Company, he served as manager, cell technology in Tata BP Solar India Limited Bangalore from June 13, 2006 to January 23, 2009. He also worked as assistant manager in Continental Device Indian Limited from August 2001 to June 2006. The remuneration paid to him for Fiscal 2010 was Rs. 21.41 Lakh

Mr. R.S. Bhagwat, aged 63 years, has been associated with our Company since July 16, 2008. He is the Technical Advisor of our Company with overall responsibility for technical support in our Company. He holds a diploma in mechanical engineering from from Cusrow Wadia Technical Institute, Pune. He has over 40 years of experience in the field of 'Quality', 'Process' and 'Production'. Before joining our Company, he served as a technical director in Halonix Limited from November 26, 1990 to November 30, 2008, where he was instrumental in acquiring prestigious E-1 mark for all the automobile halogen lamps, developing special purpose profile projection equipment for the fast measurement of geometary of halogen lamps, developing new designs for premium high luminosity lamp versions like '+30%', '+50%' for the lamp types 'H-1, H-3, H-4,H-7,H-8,H-9,H-11', Inventing construction design of parts and focusing method for five axis focus for the precise assembly of automobile lamps. The remuneration paid to him for Fiscal 2010 was Rs. 10.14 Lakh.

Mr. Dinesh Shenoy, aged 43 years, is Chief General Manager of our Company since January 1, 2009 and carries the overall responsibility for 'Corporate and Sales' in our Company. He holds a diploma in computer science from the Board of Technical Education, Karnataka. He has over 19 years of experience in the field of corporate affairs, information technology and sales. Before joining our Company, he served as a general manager in Phoenix Lamps Limited from March 28, 1990 to December 31, 2007. The remuneration paid to him for Fiscal 2010 was Rs. 15.90 Lakh.

Mr. Christy John, aged 49 years, is Deputy General Manager of our Company since November 1, 2008 and carries the overall responsibility for 'Utility' and 'Maintenance'. He holds a bachelors degree in electronics and telecommunication from the Institute of Electronics and Telecommunication Engineers, New Delhi. He has over 25 years experience in the field of electronics, electrical and utility project implementation and maintenance. Before joining our Company, he served as the Deputy general manager in Phoenix Lamps Limited from January 31, 1994 to June 17, 2008. The remuneration paid to him for Fiscal 2010 was Rs. 9.08 Lakh.

Interest of Key Managerial Personnel

None of our Key Managerial Personnel have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business and to the extent of Equity Shares, if any, held by them in our Company.

Shareholding of the Key Managerial Personnel

For details of the shareholding of the Key Managerial Personnel in our Company, see the section titled "Capital Structure" on page 19.

Family Relationship

There is no family relationship between any of the Key Managerial Personnel.

Bonus or profit sharing plan for the Key Managerial Personnel and Directors

There is no bonus or profit sharing plan for the Key Managerial Personnel and our Directors. However for details of steps amd measurea taken by our Company to retain the Key Managerial Personnel, see the section titled "Our Business – Human Resources" on page 73.

Payment of benefit to officers of our Company (non-salary related)

No amount or benefit has been paid or given to any officer of our Company within the two preceding years from the date of filing of this Red Herring Prospectus or is intended to be paid, other than in the ordinary course of their employment.

Arrangements or understanding

There is no arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any Key Managerial Personnel was selected as a Director or members of senior management.

Service Contracts

There are no service contracts with the KMPs. However, the appointment letters of the KMPs provide for termination/retirement benefits.

Loans taken by Directors / Key Managerial Personnel

Our Directors and Key Managerial Personnel have not taken any loan from our Company.

Changes in the Key Managerial Personnel during the last three years

Name	Designation	Date of appointment	Date of Cessation	Reason
Mr. K.B. Mohapatra	Assistant Manager	November 7, 2008	December 13, 2008	Resignation
Ms. Reema Malla	Executive Finance	November 3, 2008	February 28, 2009	Resignation
Mr. Pradip Bhatnagar	Deputy General Manager - Maintenance	March 12, 2009	June 10, 2009	Resignation
Mr. Manoj Goyal	Manager Accounts	April 16, 2009	September 30, 2009	Resignation
Mr. Vivek Gupta	Chief Financial Officer	November 1, 2008	June 30, 2009	Resignation
Dr. Dina Nath Singh	Chief Techincal Officer	Sepetmber 25, 2009	--	Transfer of service to our Company pursuant to the Scheme
Atul Kumar Mittal	Company Secretary	Sepetmber 25, 2009	--	Transfer of service to our Company pursuant to the Scheme

OUR PROMOTERS AND PROMOTER GROUP

Our Promoters

The following individuals are the Promoters of our Company:

1. Mr. Bhushan Kumar Gupta; and
2. Mr. Hulas Rahul Gupta

The details of our Promoters who are individuals are as follows:

Identification Particulars	Details
Voter ID Number	*N.A.*
Driving License Number	P-25672/GBN/99

Mr. Bhushan Kumar Gupta, aged 74 years, is the Chairman of our Company. For further details, see the section titled "Our Management" on page 98.

Identification Particulars	Details
Voter ID Number	*N.A.*
Driving License Number	P03052000202129

Mr. Hulas Rahul Gupta, aged 51 years, is the Managing Director of our Company. For further details, see the section titled "Our Management" on page 98.

Undertaking

We confirm that the permanent account numbers, bank account numbers and passport numbers of our Promoters have been submitted to the Stock Exchanges at the time of filing this Red Herring Prospectus with them. Our Promoters do not hold Indian passports as Mr. Bhushan Kumar Gupta is a Canadian national and Mr.Hulas Rahul Gupta holds a Bristish nationality.

Acquisition of Control by the Promoters

Mr. Bhushan Kumar Gupta and Mr. Hulas Rahul Gupta, promoters of the Transferor Company with an intention of venturing into the business of solar cells altered the object clause of the Transferor Company by shareholders resolution dated December 18, 2007. The Erstwhile Promoters of our Company were unable to devote time to the affairs of our Company. Hence, the Erstwhile Promoters, entered into a joint business development agreement dated January 15, 2008 with the Transferor Company for joint development of the Land pursuant to which the Transferor Company was granted the exclusive, unhindered and irrevocable right to develop the Land by employing it own funds and to use it for the purposes as agreed between the parties. Further, pursuant to the joint business development agreement, the Transferor Company was given a right to appoint three additional directors on the Board and accordingly Mr. Bhushan Kumar Gupta and Mr. Hulas Kumar Gupta were appointed as additional directors on the Board on January 15, 2008. However, the Erstwhile Promoters continued to be on the Board since they held the entire shareholding of our Company. Further, the Erstwhile Promoters gave an irrevocable power of attorney dated January 15, 2009 to Mr. Bhushan Kumar Gupta and Mr. Hulas Rahul Gupta to run and manage the business of our Company and to enter into any business as they may deem fit without any restriction.

Since the day-to-day business of our Company was being carried out by Mr. Bhushan Kumar Gupta, Mr. Hulas Rahul Gupta and the Transferor Company, it was considered prudent by both the Transferor Company and our Company to carry on the business under the name of one entity and hence the Transferor Company was amalgamated with our Company pursuant to the Scheme. Pursuant to the Scheme, the shareholding of the Erstwhile Promoters was extinguished. Further, the Erstwhile Promoters disassociated themselves from our Company, by virtue of a business disassociation agreement dated October 28, 2009 entered into amongst the Erstwhile Promoters, our Company and our Promoters. For details of the Scheme and the business disassociation agreement, see the section titled "History and Cerain Corporate Matters" on page 90.

Experience of the Promoters in the business of the Company

The Promoters have an experience of approximately two years in the business of our Company. Our Promoters are assisted by a team of highly qualified professionals to manage the operations of our Company.

Interest in promotion and other interest in our Company

Our Company was originally promoted by Mr. Manmohan Singh and Mr. Bhupendra Singh. Mr. Bhushan Kumar Gupta and Mr. Hulas Rahul Gupta acquired the control of our Company pursuant to the Scheme and are interested in the promotion of our Company.

Our Promoters are also the shareholders and Directors of our Company and are interested in our Company to extent of their shareholding and/ or Directorship in our Company and the dividend that may be declared by our Company. For details, see the section titled "Capital Structure" and "Our Management" on page 19 and 98, respectively. Further, our Promoters have given certain personal guarantees in relation to loan facilities availed by our Company. For details, see the section titled "Financial indebtedness" on page 140.

Disassociation by the Promoters in the last three years

Except as stated herein below, there are no other ventures/ companies/ firms from which our Promoters have disassociated during three years preceding the date of filing of this Red Herring Prospectus.

Sr. No.	Name of Company	Promoter	Date of Disassociation	Reason and terms of Disassociation
1.	Halonix Limited (earlier known as Phoenix Lamps Limited)	Mr. Bhushan Kumar Gupta and Mr. Hulas Rahul Gupta	March 10, 2007	Mr. Bhushan Kumar Gupta and Mr. Hulas Rahul Gupta transferred their respective shareholding in Halonix Limited, in favour of Argon India Limited by a warrant subscription and share purchase agreement dated July 3, 2006. The disassociation was a result of the business decision.

Interest in the property of our Company

Our Registered Office has been obtained on lease from Ms. Priya Desh Gupta, a member of our Promoter Group pursuant to lease deed dated September 17, 2009, and which was renewed by agreement dated June 21, 2010 for a period of 11 months commencing from August 16, 2010, for a monthly lease rental of Rs. 0.35 Lakh. Mr. Bhushan Kumar Gupta and Mr. Hulas Rahul Gupta, our Promoters, are related to Ms.Priya Desh Gupta as husband and son, respectively. Except as forgoing, none of our Promoters have any interest in property acquired by our Company within two years preceding the date of this Red Herring Prospectus or proposed to be acquired by our Company.

Payment of benefits to our Promoters and Promoter Group during the last two years

Other than an amount of Rs. 4.45 Lakh paid to Ms. Priya Desh Gupta for lease of the Registered Office pursuant to a rent agreement between her and our Company and Rs. 233.67 Lakh paid to Delton Cables Limited, our Promoter Group for supply of cables to us and except as stated in the sections titled "Financial Statements - Related Party Transactions" page F-34, there has been no payment of benefits to our Promoters and Promoter Group during the last two years from the date of filing of this Red Herring Prospectus.

Related Party Transactions

Except as stated in the section titled "Financial Statements- Related Party Transactions" on page F-34, our Company has not entered into related party transactions with our Promoters or Promoter Group companies.

Relationship of Promoters with each other and with the Directors/ Key Managerial Personnel

Except Mr. Bhushan Kumar Gupta who is the father of Mr. Hulas Rahul Gupta, our Promoters are not related to any other Directors. Further, our Key Managerial Personnel are not related to our Promoters or the Erstwhile Promoters of our Company and our Promoters and Directors are not related to the erstwhile promoters.

Confirmations by the Promoters

Our Promoters have confirmed that they have not been detained as wilful defaulters by the RBI or any other Governmental authority and there are no violations of securities laws committed by them in the past or are pending against them.

Promoter Group entities and companies, firms and ventures promoted by our Promoters

In addition to our Promoters named above, the following natural persons, entities, HUF's and partnerships form a part of our Promoter Group.

A. Individuals forming part of Promoter Group:

The natural persons who are part of our Promoter Group (being the immediate relatives of our individual Promoters), apart from our Promoters mentioned above, are as follows:

S. No.	Name of individual	Relationship with Promoter
1.	Ms. Priya Desh Gupta	Spouse of Mr. Bhushan Kumar Gupta and mother of Mr. Hulas Rahul Gupta
2.	Mr. Prem Nath Dilwali	Brother of Mr. Bhushan Kumar Gupta
3.	Ms. Yashoda Rani Dilwali	Sister of Mr. Bhushan Kumar Gupta
4.	Ms. Letty Gupta	Sister of Mr. Bhushan Kumar Gupta
5.	Ms. Swaran Khaitan	Sister of Mr. Bhushan Kumar Gupta
6.	Ms. Tarana Nina Gupta	Daughter of Mr. Bhushan Kumar Gupta and sister of Mr. Hulas Rahul Gupta
7.	Mr. Ashwini Kumar	Brother-in-law of Mr. Bhushan Kumar Gupta
8.	Ms. Asha Chawla	Sister-in-law of Mr. Bhusan Kumar Gupta
9.	Ms. Abha Gupta	Wife of Mr. Hulas Rahul Gupta and daughter-in-law of Mr. Bhushan Kumar Gupta
10.	Mr. Pranav Gupta	Son of Mr. Hulas Rahul Gupta
11.	Ms. Roshni Gupta	Daughter of Mr. Hulas Rahul Gupta
12.	Mr. V.K. Gupta	Father-in-law of Mr. Hulas Rahul Gupta
13.	Ms. Veena Gupta	Mother-in-law of Mr. Hulas Rahul Gupta
14.	Mr. Vivek Gupta	Brother-in-law of Mr. Hulas Rahul Gupta
15.	Ms. Deepti Gupta	Sister-in-law of Mr. Hulas Rahul Gupta

B. Entities forming part of Promoter Group:

The entities that form part of our Promoter Group are:

S. No.	Name of Promoter Group companies/ entities
1.	Delton Cables Limited
2.	Vishranti Trading Enterprises Limited
3.	Saneh Industrial Investments Limited
4.	Senor Microwaves Private Limited
5.	Element Arts Private Limited
6.	Viga Trade Solutions Private Limited
7.	B & M Trading and Investment Co. Limited
8.	Greenlite Global Inc.
9.	Greenlite Lighting Corporation

The HUFs and partnership firms that form part of our Promoter Group are as follows:

S. No.	Name of Firm/ HUF
1.	V.K. Gupta HUF
2.	Vivek Gupta HUF
3.	Delton Cable Company

Other than those stated above, there are no HUFs, proprietorships or other entities that are part of our Promoter Group.

Previous public or rights issues by the Promoter Group companies

Except Delton Cables Limited, Vishranti Trading Enterprises Limited and Saneh Industrial Investments Limited none of our Promoter Group companies are presently listed in India and none of these companies have made any public or rights issues during the five years preceding the date of filing of this Red Herring Prospectus.

Other Confirmations

None of our Promoter Group companies have been become sick companies under the meaning of the SICA. Further, none of our Promoter Group companies are currently under winding up nor do any of them have negative net worth. Further, no application has been made in respect of any of our Promoter Group companies to the RoC for striking off their names.

Defunct Company

None of our Promoter Group entities are defunct companies.

Common pursuits of our Promoters and Promoter Group and Conflict of Interest

None of our Promoters and Promoter Group has any common pursuits nor are they engaged in businesses similar to those carried out by our Company nor do they have an interest in any venture that is involved in services provided by our Company.

Shareholding of the Promoter Group in our Company

For details in this regard, see the section titled "Capital Structure" on page 19.

Outstanding Litigation

There are no outstanding litigations involving our Promoters.

Related Party Transactions

For details of the related party transactions, see the section titled "Financial Statements - Related Party Transactions" on page F-34.

OUR GROUP COMPANIES

We do not have any Group Companies.

DIVIDEND POLICY

The declaration and payment of dividend will be recommended by the Board and approved by the shareholders of our Company at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, contractual restrictions, applicable Indian legal restrictions and other factors considered relevant by the Board. Further, pursuant to the terms of the term loans obtained by our Company, prior written consent of the lenders of our Company is required to pay any dividends. The Board may also, from time to time, pay interim dividend. All dividend payments are made in cash to the shareholders of our Company. Our Company has not declared any dividends since its incorporation.

SECTION V – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

Report by the Auditors

The Board of Directors
Indosolar Limited
3C/1, Ecotech II, Udyog Vihar
Greater Noida

(1) We B S R and Associates, Chartered Accountants (referred to as 'Statutory auditors'), have examined the attached financial information of Indosolar Limited *(formerly Robin Solar Private Limited)* ('Indo' or 'the Company'), comprising summary Statement of assets and liabilities, as restated, summary Statement of profits and losses, as restated, and Statement of cash flows, as restated and other financial information explained in paragraph 3 (e) below, as approved by the Board of directors of the Company, prepared in terms of requirements of Paragraph B, Part II of Schedule II to the Companies Act, 1956 ('the Act'), the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended to date ('SEBI Regulations') and in terms of our engagement agreed upon with you in accordance with our engagement letter dated 22 September, 2009, in connection with the proposed issue of equity shares of the Company.

(2) The above financial information have been prepared by the management from the standalone financial statements of the Company (the Company has no subsidiaries) for the period 8 April 2005 to 31 March 2006, financial years ended 31 March 2007, 31 March 2008, 31 March 2009 and 31 March 2010. We have audited the financial statements of the Company for the financial years ended 31 March 2009 and 31 March 2010. The audit for the period 8 April 2005 to 31 March 2006 and financial year ended 31 March 2007 was conducted by S. Sukhija & Associates, Chartered Accountants and the audit for the financial year 31 March 2008 was conducted by Arun K. Gupta & Associates, Chartered Accountants, the previous auditors and accordingly reliance has been placed on the financial statements audited by them. This report, in so far as it relates to the amounts included, for the period 8 April 2005 to 31 March 2006 and financial years ended 31 March 2007 and 31 March 2008 are based solely on financial statements audited by them and whose auditors reports have been relied upon by us for the said period/ years.

(3) In accordance with the requirements of Paragraph B of Part II of Schedule II to the Companies Act 1956, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, and the Guidance Notes issued in this regard by the Institute of Chartered Accountants of India ('ICAI'), as amended from time to time, and in terms of our engagement as agreed with you, we further report that:

(a) The summary Statement of Assets and Liabilities of the Company, as restated, as at 31 March 2006, 31 March 2007, 31 March 2008, 31 March 2009 and 31 March 2010 as set out in Annexure I to this report are after making adjustments and regroupings, as in our opinion, were appropriate and more fully described in the notes appearing in Annexure V to this report.

(b) The summary Statement of Profits and Losses of the Company, as restated, for the period 8 April 2005 to 31 March 2006, financial years ended 31 March 2007, 31 March 2008, 31 March 2009 and 31 March 2010 as set out in Annexure II to this report are after making adjustments and regroupings, as in our opinion, were appropriate and more fully described in the notes appearing in Annexure V to this report.

(c) The Statement of Cash Flows of the Company, as restated, for the period 8 April 2005 to 31 March 2006, financial years ended 31 March 2007, 31 March 2008, 31 March 2009 and 31 March 2010 as set out in Annexure III to this report are after making adjustments and regroupings, as in our opinion, were appropriate and more fully described in the notes appearing in Annexure V to this report.

(d) Based on above and also as per the reliance placed on the financial statements audited by the previous auditors for the period 8 April 2005 to 31 March 2006, financial years ended 31 March 2007 and 31 March 2008, we are of the opinion that the restated financial information, prepared by the management of the Company and approved by its Board of Directors, has been made after incorporating the following:

i. As explained in Note 1(c)(A) of Annexure V to this report, the impact of change in accounting policies / correction of incorrect accounting policies have been adjusted with retrospective effect in the respective financial years to which they relate, to reflect the same accounting treatment as per changed / corrected accounting policy for all the reporting periods;

ii. As explained in Note 1(b) read with Note 1(c)(A)(b) of Annexure V to this report, material amounts relating to previous years have been adjusted in the restated financial information in the respective financial years to which they relate.

iii. There are no qualifications in the auditors' report which require any adjustments in the restated accounts. However those qualifications in the auditors report which do not require any corrective adjustments in the restated financial information have been disclosed in Note 2 of Annexure V to this report;

iv. There are no extraordinary items, which need to be disclosed separately in the restated financial information in the respective financial years; and

v. As explained in Note 3(2)(b) of Annexure V to this report, there are no revaluation reserves outstanding as at 31 March 2006, 31 March 2007, 31 March 2008, 31 March 2009 and 31 March 2010 that need to be disclosed separately and that would require adjustment to the restated financial information.

(e) We have also examined the following other financial information set out in Annexures prepared by the management and approved by the Board of Directors relating to the Company for the period 8 April 2005 to 31 March 2006, financial years ended 31 March 2007, 31 March 2008, 31 March 2009 and 31 March 2010. In respect of the period 8 April 2005 to 31 March 2006 and financial year ended 31 March 2007, the financial information has been included based upon the financial statements audited by S. Sukhija & Associates, Chartered Accountants, and in respect of financial year ended 31 March 2008 these financial information have been included based upon the financial statements audited by Arun K. Gupta & Associates, Chartered Accountants, the previous auditors and relied upon by us:

i. Statement of unsecured and secured loans, as restated as at 31 March 2006, 31 March 2007, 31 March 2008, 31 March 2009 and 31 March 2010 and details of terms and conditions, including interest rates, principal terms of security and repayment terms of the loans outstanding as at 31 March 2010, as appearing in Annexure VI (A) and VI (B) to this report;
ii. Statement of other income, as restated for the period 8 April 2005 to 31 March 2006, financial years ended 31 March 2007, 31 March 2008, 31 March 2009 and 31 March 2010 as appearing in Annexure VII to this report;
iii. Statement of accounting ratios, for the period 8 April 2005 to 31 March 2006, financial years ended 31 March 2007, 31 March 2008, 31 March 2009 and 31 March 2010, as appearing in Annexure VIII to this report;
iv. Capitalisation statement, as restated as at 31 March 2010, as appearing in Annexure IX to this report;
v. Statement of tax shelters, as restated for the period 8 April 2005 to 31 March 2006, financial years ended 31 March 2007, 31 March 2008, 31 March 2009 and 31 March 2010, as appearing in Annexure X to this report;

vi. The "Break up of ageing schedule of sundry debtors" and "Break up of loans and advances", as restated (separately showing loans/advances to promoters/promoter group/group companies) as at 31 March 2006, 31 March 2007, 31 March 2008, 31 March 2009 and 31 March 2010, as appearing in Annexure XI (A) and XI (B) to this report;

vii. Statement of related party disclosures for the period 8 April 2005 to 31 March 2006, financial years ended 31 March 2007, 31 March 2008, 31 March 2009 and 31 March 2010 as per Accounting Standard 18 on Related Parties prescribed by Companies (Accounting Standards) Rules, 2006, as appearing in Annexure XII to this report;

(f) Based on an examination of the financial statements for the period 8 April 2005 to 31 March 2006, financial years ended 31 March 2007, 31 March 2008, 31 March 2009 and 31 March 2010 the Company has not declared any dividend on its equity shares for the aforesaid period/year.

In our opinion, the above financial information of the Company read with significant accounting policies appearing in Annexure IV to this report, after making adjustments and regroupings as considered appropriate and as set out in Annexure V to this report, has been prepared in accordance with Paragraph B, Part II of Schedule II to the Companies Act , 1956, Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, and the Guidance Notes issued in this regard by the Institute of Chartered Accountants of India (‘ICAI’), as amended from time to time, and in terms of our engagement as agreed with you.

(4) This report is intended solely for your information and use of management and for inclusion in the Red Herring Prospectus in connection with the proposed issue of equity shares of the Company and is not to be used, referred to or distributed for any other purpose without our consent in writing.

For **B S R and Associates**
Chartered Accountants

Vikram Advani
Partner
Membership No. 091765
Firm Membership No.- 128901W

Place : Gurgaon
Date : June 7, 2010

Indosolar Limited

(formerly Robin Solar Private Limited)

Annexure I

Statement of Assets and Liabilities, as restated

(Amounts in Lakh Rupees)

	Particulars	As at 31 March 2006	As at 31 March 2007	As at 31 March 2008	As at 31 March 2009	As at 31 March 2010
A	**Fixed Assets**					
	(i) Gross block	253.48	253.48	253.48	7,051.38	67,275.10
	Less : Accumulated depreciation	1.01	3.83	6.64	79.36	1,987.35
	Net block	252.47	249.65	246.84	6,972.02	65,287.75
	(ii) Capital work in progress/advances	-	-	286.50	36,275.85	1,006.12
	Net Block	**252.47**	**249.65**	**533.34**	**43,247.87**	**66,293.87**
B	**Investments**	**-**	**-**	**-**	**-**	**-**
C	**Current assets, Loans and**					
	Advances					
	(i) Inventories	-	-	-	294.72	7,733.83
	(ii) Sundry debtors	-	-	-	-	2,310.51
	(iii) Cash and bank balances	-	0.04	16.55	3,071.05	2,410.97
	(iv) Loans and advances	-	-	-	734.27	1,371.48
		-	**0.04**	**16.55**	**4,100.04**	**13,826.79**
	Total of (A+B+C)	**252.47**	**249.69**	**549.89**	**47,347.91**	**80,120.66**
D	**Liabilities and Provisions**					
	(i) Secured loans	-	-	-	24,483.19	53,673.49
	(ii) Unsecured loans	143.16	196.40	-	-	700.00
	(iii) Current liabilities and provisions	129.15	95.44	620.42	5,393.30	11,371.16
		272.31	**291.84**	**620.42**	**29,876.49**	**65,744.65**
	Net Worth (A+B+C-D)	**(19.84)**	**(42.15)**	**(70.53)**	**17,471.42**	**14,376.01**
E	**Represented by**					
	(i) Equity share capital	1.00	1.00	1.00	1.00	20,840.00
	(ii) Equity shares to be issued pursuant to the scheme of amalgamation	-	-	-	18,924.00	-
	(iii) Reserves and surplus					
	- Securities premium	-	-	-	-	364.00
	- Profit and Loss Account	(20.84)	(43.15)	(71.53)	(1,453.58)	(8,074.88)
	(iv) Share application money pending allotment	-	-	-	-	1,516.50
	(v) Miscellaneous expenditure	-	-	-	-	(269.61)
	(to the extent not written off)					
	Net Worth (i+ii+iii+iv+v)	**(19.84)**	**(42.15)**	**(70.53)**	**17,471.42**	**14,376.01**

Note:

1. To be read in conjunction with Significant accounting policies (Annexure IV) and Notes to Statement of Assets and Liabilities, as restated and Statement of Profit and Loss, as restated (Annexure V) and Annexure VI to Annexure XII in respect of other financial information .

2. There are no revaluation reserves outstanding as at 31 March 2006, 31 March 2007, 31 March 2008, 31 March 2009 and 31 March 2010 that would require adjustment to the financial information, as restated. Also refer to Note 3(2)(b) of Annexure V.

Indosolar Limited

(formerly Robin Solar Private Limited)

Annexure II

Statement of Profit and Loss, as restated

(Amounts in Lakh Rupees)

Particulars	8 April 2005 to 31 March 2006	Year ended 31 March 2007	Year ended 31 March 2008	Year ended 31 March 2009	Year ended 31 March 2010
Income					
Gross sales	-	-	-	-	11,277.35
Less: Excise duty	-	-	-	-	25.68
Net Sales	**-**	**-**	**-**	**-**	11,251.67
Other income	-	-	-	73.96	1,896.18
Total (A)	**-**	**-**	**-**	**73.96**	**13,147.85**
Expenditure					
(Increase)/decrease in stock	-	-	-	-	(2,967.40)
Manufacturing expenses	-	-	-	-	16,145.65
Personnel costs	-	-	-	476.93	849.76
Selling, administrative and other expenses	5.88	6.52	16.00	353.67	1,144.05
Finance and related charges	13.80	12.97	9.56	9.92	2,722.77
Depreciation and amortisation	1.01	2.82	2.82	48.40	1,873.09
Preliminary expenses	0.15	-	-	-	-
Total (B)	**20.84**	**22.31**	**28.38**	**888.92**	**19,767.92**
Net profit/(loss) before tax (A-B)	**(20.84)**	**(22.31)**	**(28.38)**	**(814.96)**	**(6,620.07)**
Provision for tax					
- current tax	-	-	-	-	-
- fringe benefit tax	-	-	-	11.88	-
- wealth tax	-	-	-	0.17	1.23
Net profit/(loss) after tax	**(20.84)**	**(22.31)**	**(28.38)**	**(827.01)**	**(6,621.30)**
Profit/(Loss) brought forward from previous year	-	(20.84)	(43.15)	(71.53)	(1,453.58)
Loss carried forward on amalgamation (Refer note 4 below)	-	-	-	(555.04)	-
Profit/(Loss) carried forward to Balance Sheet	**(20.84)**	**(43.15)**	**(71.53)**	**(1,453.58)**	**(8,074.88)**

Notes:

1. To be read in conjunction with Significant accounting policies (Annexure IV) and Notes to summary Statement of Assets and Liabilities, as restated and summary Statement of Profits and Losses, as restated (Annexure V) and Annexure VI to Annexure XII in respect of other financial information .
2. There are no extraordinary items, which need to be disclosed separately in the restated financial statements.
3. The Company was incorporated on 8 April 2005 accordingly, there were no opening reserves as on 1 April 2005.
4. Refer Note 3(2)(a)(iv)(b) of Annexure V

Indosolar Limited

(formerly Robin Solar Private Limited)

Annexure III

Statement of Cash flows, as restated

(Amounts in Lakh Rupees)

Particulars	8 April 2005 to 31 March 2006	Year ended 31 March 2007	Year ended 31 March 2008	Year ended 31 March 2009	Year ended 31 March 2010
Cash flow from operating activities					
Net Profit/ (loss) after tax, as restated	(20.84)	(22.31)	(28.38)	(827.01)	(6,621.30)
Adjustment for :					
Provision for tax	-	-	-	12.05	1.23
Depreciation and amortisation	1.01	2.82	2.82	48.40	1,873.09
Interest income	-	-	-	(73.96)	(17.97)
Interest expenses	13.80	12.97	9.53	6.75	2,546.86
Liabilities/ provisions no longer required written back	-	-	-	-	(7.87)
Unrealised foreign exchange (gain)/loss	-	-	-	34.65	(516.39)
Operating (Loss)/profit before changes in working capital	**(6.03)**	**(6.52)**	**(16.03)**	**(799.12)**	**(2,742.35)**
Adjustments for:					
(Increase)/ decrease in sundry debtors	-	-	-	-	(2,319.95)
(Increase)/ decrease in inventories	-	-	-	(259.91)	(7,439.12)
(Increase)/ decrease in loans and advances	-	-	-	3,735.43	(719.99)
Increase/(decrease) in current liabilities and provisions	0.05	0.05	548.80	(410.57)	8,373.63
Net changes in working capital	**(5.98)**	**(6.47)**	**532.77**	**2,265.83**	**(4,847.77)**
Taxes paid	-	-	-	(44.09)	(28.97)
Cash generated from operations	**(5.98)**	**(6.47)**	**532.77**	**2,221.74**	**(4,876.74)**
Cash flow from investing activities					
Increase/(decrease) in capital creditors	115.30	(23.28)	(23.00)	599.17	(365.74)
Additions to fixed assets (including capital work in progress)	(253.48)	-	(286.50)	(8,109.53)	(22,680.39)
Interest received	-	-	-	104.28	106.20
Net cash from (used in) investing activities	**(138.18)**	**(23.28)**	**(309.50)**	**(7,406.08)**	**(22,939.93)**
Cash flow from financing activities					
Proceeds from issue of share capital	1.00	-	-	350.00	1,915.00
Proceeds from premium on shares issued	-	-	-	-	364.00
Proceeds from application money received	-	-	-	-	1,516.50
Proceeds from borrowings - short term	143.16	53.24	(196.40)	-	-
Proceeds from unsecured loan	-	-	-	-	700.00
Proceeds from term loan	-	-	-	1,269.73	21,350.56
Repayment of term loan	-	-	-	(1,375.45)	-
Proceeds from working capital loan	-	-	-	-	3,403.90
Proceeds from short term loan					2,500.00
Share issue expenses	-	-	-	-	(269.61)
Interest paid	-	(23.45)	(10.35)	(814.56)	(4,320.85)
Net cash from (used in) financing activities	**144.16**	**29.79**	**(206.75)**	**(570.28)**	**27,159.50**
Net increase/(decrease) in cash and cash equivalents	-	0.04	16.51	(5,754.62)	(657.17)
Cash and cash equivalents at the	-	-	0.04	16.55	3,071.04

beginning of the year					
Add: Exchange gain on foreign currency in hand	-	-	-	(0.33)	(2.90)
Cash and cash equivalents acquired on amalgamation	-	-	-	8,809.45	-
Cash and cash equivalents at the end of the year	**-**	**0.04**	**16.55**	**3,071.05**	**2,410.97**
Cash and cash equivalents at the year end comprise :					
Cash in hand	-	-	-	8.29	1.02
Balance with scheduled banks:					
-On current accounts	-	0.04	16.55	72.90	1,684.79
-In other accounts	-	-	-	2,989.86	725.16
	-	**0.04**	**16.55**	**3,071.05**	**2,410.97**

Note:

1. To be read in conjunction with summary of significant accounting policies (Annexure IV) and notes to summary Statement of Assets and Liabilities, as restated and summary Profit and Loss (Annexure V) and Annexure VI to Annexure XII in respect of other financial information.

2. Figures have been regrouped to ensure consistency of presentation.

Indosolar Limited
(formerly Robin Solar Private Limited)

Annexure IV

Summary of significant accounting policies

i. Basis of preparation of financial statements

The financial statements of Indosolar Limited ("the Company") have been prepared under the historical cost convention on accrual basis of accounting in accordance with the Indian Generally Accepted Accounting Principles (GAAP) and mandatory accounting standards as specified in the Companies (Accounting Standards) Rules, 2006, the provisions of the Companies Act, 1956, to the extent applicable, and as adopted consistently by the Company.

ii. Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Examples of such estimates include estimates for provision for doubtful debts, future obligations under employee retirement benefit plans and estimated useful life of fixed assets. Actual results could differ from these estimates.

The Company recognises a provision when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible but not probable obligation or a present obligation that may, but probably will not, entail an outflow of resources. When there is a obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

iii. Revenue recognition (as per Accounting Standard – 9 on Revenue recognition)

Sale of goods

Revenue from sale of goods is recognised when significant risks and rewards of ownership are transferred to the customers.

Interest income

Interest income is recognised using the time proportionate method, based on interest rates implicit in the transaction.

iv. Inventories (as per Accounting Standard – 2 on Valuation of inventories)

Raw materials and finished goods are valued at the lower of cost and net realisable value. The cost of purchase consists of the purchase price including duties and taxes other than those subsequently recoverable by the enterprise from the taxing authorities, freight inwards and other expenditure directly attributable for its acquisition.

Cost is determined on the basis of first-in first-out method. In respect of finished goods, cost includes appropriate share of manufacturing overheads, wherever applicable.

Obsolete and slow moving inventories are identified at the time of physical verification of inventories and, where necessary, a provision for obsolescence is recognised or the same is written-off.

Stock of scrap and waste is valued at estimated realisable value. Consumable stores are charged to revenue at the point of purchase.

Machinery spares that are of regular use are charged to Profit and Loss Account as and when consumed.

v. Fixed assets (as per Accounting Standard – 10 on Accounting for fixed assets)

Fixed assets are stated at cost less accumulated depreciation. Cost of acquisition is inclusive of freight, duties, taxes and other incidental costs related to acquisition and installation. In respect of fixed assets constructed, costs comprises costs of construction that relate directly to the specific asset and administration and other general overhead expenses that are directly attributable to the construction activity and can be allocated to the specific asset.

Cost of assets not ready for use, advances paid towards acquisition of fixed assets and administration and other general overhead expenses that are directly attributable to the construction activity of specific asset until commissioning of such assets, are disclosed as Capital Work in Progress.

vi. Depreciation (as per Accounting Standard – 6 on Depreciation accounting and Accounting Standard – 26 on Intangible assets)

Tangible assets

Depreciation has been calculated on a pro rata basis, under the straight-line method over the useful life of assets, based on rates specified in Schedule XIV to the Companies Act, 1956, except mobile phones and leasehold land. Mobile phones (included under office equipments) are depreciated over a period of one year and leasehold land is amortised over the period of lease on straight line basis.

Intangible assets

Intangible assets representing computer software are depreciated over a period of 5 years on a pro rata basis.

Assets costing upto Rs. 5,000 are fully depreciated in the year of purchase.

vii. Impairment (as per Accounting Standard – 26 on Impairment of assets)

Management periodically assesses using external and internal sources whether there is an indication that an asset may be impaired. Impairment occurs where the carrying value exceeds the present value of future cash flows expected to arise from the continuing use of the asset and its eventual disposal. The impairment loss to be expensed is determined as the excess of the carrying amount over the higher of the asset's net sales price or present value as determined above. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is recorded only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined net of depreciation or amortisation, if no impairment loss had been recognised.

viii. Operating leases (as per Accounting Standard – 19 on Leases)

Lease rental in respect of assets taken on operating lease are charged to the Profit and Loss Account on a straight-line basis over the lease term.

ix. Foreign currency transactions (as per Accounting Standard – 11 on the Effects of Changes in foreign exchange rates)

Foreign exchange transactions are recorded at the exchange rates prevailing at the date of transaction. Realised gains and losses on foreign exchange transactions during the year are recognised in the Profit and Loss Account. Monetary assets and monetary liabilities that are determined in foreign currency are translated at the exchange rate prevalent at the date of Balance Sheet. The resulting difference is recorded in the Profit and Loss Account.

In respect of forward exchange contracts taken by the Company for hedging purposes, the premium or discount arising at the inception of a forward exchange contract is amortised as expense or income over the life of the contract. Exchange differences on such contracts are recognised in the Profit and Loss Account in the reporting period in which the exchange rates change.

In respect of forward contracts which are covered under Accounting Standard (AS) 11, 'Effect of Changes in Foreign Exchange Rates', the difference between spot rate and forward rate on the date the forward exchange contract is entered into, is amortised over the tenure of the contract. The foreign currency receivable or payable arising under the forward contract is revalued using the closing rate, and any resultant gain or loss is taken to the Profit and Loss Account. In respect of forward contract taken for future forecasted transactions and which are not covered by AS 11, pursuant to the announcement on "Accounting for Derivatives" made by Institute of Chartered Accountants of India ('ICAI') on 27 March 2008, such forward contracts are marked to market and provision for loss, if required are recognised in Profit and Loss Account. However, gain on account of marked to market of forward contracts taken for future forecasted transactions are ignored.

x. Taxation (as per Accounting Standard – 22 on Accounting for taxes on income)

Income taxes are accrued in the same period in which the related revenue and expense arise. Income tax expenses comprise current tax (i.e. the amount of tax for the period determined in accordance with the Income tax Act, 1961) and deferred tax charge or credit (reflecting the tax effects of the timing differences between the accounting income and taxable income for the period). The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in the future, however, where there is unabsorbed depreciation or carry forward loss under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realisation of such assets. Deferred tax assets are reviewed at each Balance Sheet date and written down or written up to reflect the amount that is reasonably/ virtually certain (as the case may be) to be realised.

Deferred tax consequences of timing differences that originate in the tax holiday period and reverse after the tax holiday period are recognised in the period in which the timing differences originate.

xi. Earnings per share (as per Accounting Standard – 20 on Earning per share)

Basic earning per share is computed using the weighted average number of equity shares outstanding during the year. Diluted earning per share is computed using the weighted average number of equity and dilutive equity equivalent shares outstanding during the period end, except where the results would be anti-dilutive.

xii. Borrowing costs (as per Accounting Standard – 16 on Borrowing costs)

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalised. Other borrowing costs are recognised as expenses in the period in which they are incurred. In determining the amount of borrowing costs eligible for capitalisation during a period, any income earned on the temporary investment of those borrowings is deducted from the borrowing costs incurred.

xiii. Employee benefits (as per Accounting Standard – 15 on Employee benefits)

The Company's obligations towards various employee benefits have been recognised as follows:
Short- term employee benefits:

All employee benefits payable wholly within twelve months of rendering service are classified as short-term employee benefits. Benefits such as salaries, allowances, short-term compensated absences and the expected cost of other benefits is recognised in the period in which the employee renders the related service.

Post employment benefits:

- *Defined contribution plan*

The Provident Fund Scheme is a defined contribution plan. The Company's contribution to defined contribution plans is recognised in the Profit and Loss Account in the financial year to which they relate.

- *Defined benefit plans*

  The Company's gratuity scheme is a defined benefit plan. The present value of obligation under such defined benefit plan is determined based on actuarial valuation carried at the year end using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans, is based on the market yields on Government securities as at the balance sheet date. Actuarial gains and losses are recognised in the Profit and Loss Account.

- *Other long term employee benefit:*

  Benefits under the Company's leave encashment constitute other long term employee benefits, recognised as an expense in the profit and loss account for the period in which the employee has rendered services. Estimated liability on account of these benefits is actuarially determined based on the projected unit credit method using the yield on government bonds, as on the date of the balance sheet, as the discounting rate. Actuarial gains and losses are charged to the Profit and Loss Account.

xiv. Miscellaneous expenditure (Guidance note on Miscellaneous expenditure [revised])

Share issue expenses in connection with the public offer are amortised over the period of five years from the date such shares are issued.

Indosolar Limited

(formerly Robin Solar Private Limited)

Notes to Statement of Assets and Liabilities, as restated in Annexure I and Statement of Profits and Losses, as restated in Annexure II

Annexure V

1 (a) The summary of results of net adjustments/ rectifications made in the audited accounts of the respective years and its net impact on assets and liabilities is given below:

(Amounts in Lakh Rupees)

	Cumulative effect of above [increase/(decrease)] in Statement of assets and Liabilities :	As at 31 March 2006	As at 31 March 2007	As at 31 March 2008	As at 31 March 2009	As at 31 March 2010
I	**Changes in accounting policies/ correction of accounting policies (refer Note 1(c)(A))**					
	(a) Current liabilities and provisions	129.10	3.95	0.02	15.32	(1.23)
	Liabilities	**129.10**	**3.95**	**0.02**	**15.32**	**(1.23)**
	(b) Net fixed assets	252.47	(33.06)	(60.85)	(52.03)	(51.51)
	(c) Capital work in progress/advances	-	-	(10.28)	-	-
	(d) Loans and advances	(144.01)	-	-	-	-
	(e) Debit balance to Profit and Loss Account	20.64	37.01	71.15	67.35	50.28
	Assets	**129.10**	**3.95**	**0.02**	**15.32**	**(1.23)**

[*] In respect of financial year ended 31 March 2008 administrative costs amounting to Rs. 5.76 lakh were incorrectly capitalised from opening debit balance to theProfit and Loss Account. Therefore the impact of the same has only been considered in the summary Statement of Asset and Liabilities, as restated and not in the summary Statement of Profits and Losses, as restated.

Note: Figures in parenthesis indicate a reduction of the respective amounts from the financial statement captions.

Indosolar Limited

(formerly Robin Solar Private Limited)

Notes to Statement of Assets and Liabilities, as restated in Annexure I and Statement of Profits and Losses, as restated in Annexure II

Annexure V

1 (b) The summary of results of net adjustments/ rectifications made in the audited accounts of the respective years and its net impact on profits and losses is given below:

(Amounts in Lakh Rupees)

	Adjustments [(Incomes)/ expense] in statement of profit and loss arising out of :	Opening Reserves as at 1 April 2005	Year ended 31 March 2006	Year ended 31 March 2007	Year ended 31 March 2008	Year ended 31 March 2009	Year ended 31 March 2010	Net impact
I	**Loss for the year before adjustments/ rectifications**	-	0.20	5.94	-	830.81	6,638.37	
II	**Changes in accounting policies/ Correction of accounting policies (refer Note 1(c)(A))**	-	-	-	-	-	-	-
	(a) Depreciation/amortisation	-	1.01	2.82	2.82	(8.66)	(0.53)	(2.54)
	(b) Administrative costs	-	5.83	0.58	16.00	(8.15)	-	14.26
	(c) Finance cost	-	13.80	12.97	9.56	6.72	4.01	47.06
		-	**20.64**	**16.37**	**28.38**	**(10.09)**	**3.48**	**58.78**
III	**Previous year adjustments (refer Note 1(c)(B) below)**							
	(a) Administrative costs*	-	-	-	-	-	(14.26)	(14.26)
	(b) Provision for fringe benefit tax					6.29	(6.29)	-
		-	**-**	**-**	**-**	**6.29**	**(20.55)**	**(14.26)**
IV	**Regrouping (refer Note 1(c)(C) below)**							
	(a) Administrative costs	-	-	0.12	-	-	-	0.12
	(b) Finance cost	-	-	(0.12)	-	-	-	(0.12)
		-	-	-	-	-	-	-
V	**Net impact on Profit and Loss Account (after tax) (II+III+IV)**	**-**	**20.64**	**16.37**	**28.38**	**(3.80)**	**(17.07)**	**44.52**
VI	**Net profit/(loss) after tax as per restated Profit and Loss Statement**	**-**	**(20.84)**	**(22.31)**	**(28.38)**	**(827.01)**	**(6,621.30)**	

* Represents lease rent amounting to Rs. 14.26 lakh disclosed as prior period item in the financial statement for the year ended 31 March 2010. The corresponding impact of the same has been considered in the summary Statement of Profits and Losses, as restated of the respective years in II above. Refer Note 1(c)(A)(b) of Annexure V.

** There is no tax impact of the adjustments made to the loss as per the audited accounts.

Note: Figures in parenthesis indicate a reduction of the respective amounts from the financial statement captions.

Notes to summary statement of assets and liabilities, as restated (Annexure I) and summary statement of profit and loss, as restated (Annexure II)

1(c) Notes to statement of adjustments as given in para 1(a) and 1(b) of this Annexure, made in the audited accounts of the respective years:

A. Changes in accounting policies / correction of incorrect accounting policies

(a) Capitalisation and amortisation of leasehold land

The Company was allotted leasehold land and the certificate of possession was issued on 21 November 2005 for a period of 90 years, under a deferred payment scheme. In accordance with the provisions of Accounting Standard (AS) 10 on 'Accounting for Fixed assets' as prescribed by the Institute of Chartered Accountants of India and the generally accepted accounting principles, the land should have been capitalised with the total consideration of lease premium payable under the scheme in the financial year ended 31 March 2006. However, land was not recognised in the books of account and the lease premium paid towards land was disclosed as advance in the year ended 31 March 2006. Accordingly, the total amount of lease premium has been capitalised, the advance has been adjusted in the restated financial statements during the period 8 April 2005 to 31 March 2006 and the impact of the amortisation thereon has been adjusted, accordingly in the restated financial statements in the for the period 8 April 2005 to 31 March 2006, financial years ended 31 March 2007, 31 March 2008, 31 March 2009 and 31 March 2010.

(b) Expenses attributable to capitalisation

The land was capitalised in the financial year ended 31 March 2007, including the interest paid on such lease premiums. Other administrative and finance costs were also capitalised in the financial statements for the period 8 April 2005 to 31 March 2006, financial years ended 31 March 2007 and 31 March 2008.

The Company adopted Accounting Standard on 'Fixed assets' (AS) 10 and applied the principles provided therein in connection with the capitalisation of expenses directly attributable to assets with effect from the year ended 31 March 2009. Therefore expenses that were considered indirectly attributable to capitalisation like interest and administrative costs have been accordingly charged to expenses in the restated financial statements for the period 8 April 2005 to 31 March 2006 and financial years ended 31 March 2007, 31 March 2008 and 31 March 2009 and 31 March 2010.

(c) Interest on deferred payment for land

In the year ended 31 March 2006 and 31 March 2007, interest related to deferred payment for land was not accrued/ short accrued. The interest was subsequently accrued in the year ended 31 March 2007 and 31 March 2008, respectively. Such interest has been adjusted to the respective years in the restated financial statements for the year ended 31 March 2006 and 31 March 2007 by expensing it off with a corresponding impact on the value of land capitalised.

B. Previous year adjustments

Prior period items

For the purpose of restated statement of profits and losses and the restated statement of assets and liabilities, in respect of period 8 April 2005 to 31 March 2006, financial years ended 31 March 2007, 31 March 2008, 31 March 2009 and 31 March 2010, the prior period items appearing in the financial statements for the relevant financial years/ period have been appropriately adjusted in the respective years to which they pertain.

C. Regroupings

During the year ended 31 March 2007, certain penal charges for delayed payment of lease premium was charged and disclosed as finance charges. In the statement of profit and loss, as restated for the year ended 31 March 2007, the same has been disclosed under administrative cost.

2. Audit qualifications and matters of emphasis, as the case may be, including our comments in annexure to our main audit report (Company's Auditors' Report Order 2003), where it is not possible to make adjustments or rectifications, has been summarised below:

c. Financial year ended 31 March 2010 (Audit qualifications)

Auditors' Report

(i) without qualifying our report, attention is invited to Note 18 of Schedule 19 regarding managerial remuneration amounting to Rs. 243.53 lakh paid for the period 26 September 2009 to 31 March 2010, in excess of the limits prescribed under Schedule XIII of the Companies Act, 1956 and being held in trust by such managerial personnel. The Company has filed an application with the Central government for such excess remuneration for the financial year in respect of which the appointment is effective. The management believes that the Company shall be able to get the approval.

Annexure to the main Auditors report

(ii) The Company has delayed in repayment of interest dues to its bankers. However, such dues have been repaid within 30 days from the respective due dates. We observed delays of 2 to 15 days in payment of interest on term loan taken from Andhra Bank for various months amounting toRs. 39.62 lakh, Rs. 64.91 lakh, Rs. 74.11 lakh, Rs. 79.06 lakh, Rs. 79.82 lakh and Rs. 72.14 lakh; delays of 3 to 15 days in payment of interest on term loan taken from Bank of Baroda for various months amounting to Rs. 87.90 lakh, Rs. 85.16 lakh, Rs. 88.12 lakh, Rs. 88.62 lakh and Rs. 79.85 lakh; delays of 3 to 8 days in payment of interest on term loan taken from Corporation Bank for various months amounting to Rs. 84.72 lakh, Rs. 82.09 lakh, Rs. 85.01 lakh, and Rs. 79.02 lakh; delays of 3 to 14 days in payment of interest on term loan taken from Union Bank of India for various months amounting to Rs. 114.76 lakh, Rs. 111.05 lakh, Rs. 114.86 lakh, Rs. 114.80 lakh and Rs. 104.06 lakh; and delays of 3 to 16 days in payment of interest on term loan taken from Indian Bank for various months amounting to Rs. 83.23 lakh, Rs. 80.63 lakh, Rs. 83.40 lakh, Rs. 83.46 lakh and Rs. 75.57 lakh. The Company did not have any outstanding dues to any financial institutions or debenture holders during the year.

(iii) On an overall examination of the Balance Sheet of the Company, funds amounting to Rs. 5,385.35 lakh raised on short-term basis have been used for long-term investment.

d. Financial year ended 31 March 2009 (Audit qualifications)

Annexure to the main Auditors report

(iii) The amounts deducted/ accrued in the books of accounts in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income tax, Service tax, Wealth tax and other material statutory dues have not been regularly deposited with the appropriate authorities and there have been delays in a large number of cases.

(iv) On an overall examination of the Balance Sheet of the Company, funds amounting to Rs. 1,277.95 lakh raised on short-term basis have been used for long-term investment.

3. Significant notes (based on audited financial statements) and changes in the business of the Company during the last four financial years other than those covered in para 1 below:

1. Year ended 31 March 2010 (significant notes)

a) Allotment of equity shares

In consideration of transfer and vesting of the undertaking of Indosolar Limited ('the Transferor Company') (refer note 2(a)(i) below), in terms of the amalgamation scheme, 1,850 lakh equity shares of Rs. 10 each and 150 lakh equity shares of Rs. 0.5 each partly paid to be allotted to shareholders of the Transferor Company in the same proportion of their holdings in the Transferor Company (the paid up capital of the Transferor Company is same as the shares allotted).

The Transferor Company called and received Rs. 9.50 against 150 lakh equity shares subsequent to the appointed date. As per the approved scheme the same shall continue in the Transferee Company on the same terms and conditions as if the same had been issued and allotted by the Transferee Company.

Equity shares allotted and reduced pursuant to the scheme of amalgamation on 24 September 2009:

Description	**Amount** *(In Lakh Rupees)*
Shares allotted pursuant to the scheme of amalgamation	
Shares of Indo existing as at 31 December 2008	
Fully paid 1,850 lakh equity shares of Rs. 10 each	18,500.00
Partly paid 150 lakh equity shares – Rs. 0.50 paid up	75.00
	18,575.00
Call made against partly paid shares by Transferor company	
- Up to 31 March 2009	
Partly paid 100 lakh equity shares – Rs. 3.50 paid up	350.00
- Upto 25 September 2009	
Partly paid 100 lakh equity shares – Rs. 6 paid up	600.00
Partly paid 50 lakh equity shares – Rs. 9.5 paid up	475.00
Shares allotted pursuant to the scheme of amalgamation	**20,000.00**
Less: Reduction of shares pursuant to the scheme of amalgamation	
Fully paid equity shares of Rs. 10 each	**1.00**

Pursuant to the scheme of amalgamation the Company has reduced 0.1 lakh equity shares of Rs. 10 each during the year ended 31 March 2010.

The unpaid amount on equity shares were called for and made fully paid on 25 May 2009. All the shares have therefore become fully paid as on the date of the scheme becoming effective and on the date of allotment of shares on 25 September 2009 to the shareholders of the transferor company pursuant to the scheme of amalgamation.

b) Managerial remuneration in excess of limits prescribed by section 309

Pursuant to the scheme of amalgamation that was filed with the Registrar of Companies on 24 September 2009, the Company got converted from Private Company to Public Company with effect from that date.

The Managing Director and other Whole-time Directors have been appointed with effect from 26 September 2009, with a remuneration in excess of the limits prescribed by the Companies Act, 1956 ('the Act') as the Company has incurred losses in the year ended 31 March 2010. The remuneration amounting to Rs. 243.53 lakh paid/ accrued during the period 26 September to 31 March 2010, in excess of the limits prescribed under Schedule XIII of the Act, is held in trust by such managerial personnel until such Central Government approval.

The Company has filed necessary applications for obtaining approval from the Central Government, which is awaited, for the appointment and remuneration paid to the managerial personnel for such period.

c) Commencement of commercial production

The Company formulated the plan of setting up the manufacturing facility for solar cells in January 2008. The Company set up its facility during the year where commercial production in respect of Line 1 and Line 2 commenced with effect from 17 July 2009 and 17 March 2010, respectively.

2. <u>Financial year ended 31 March 2009</u>

a) Scheme of amalgamation

i) Background of the Scheme

The scheme of amalgamation approved by the Board of directors of the Company ('the Transferee company') on 16 March 2009 was sanctioned by the High Court of Judicature at Delhi vide order dated 16 September 2009. Pursuant to the approved scheme, the Company acquired another company with the name Indosolar Limited ('the Transferor Company') by way of amalgamation (in the nature of merger) with effect from the appointed date, i.e. 1 January 2009. The scheme as approved by the High Court and was filed with the regional offices concerned of the Registrar of Companies. The Scheme became effective from 24 September 2009 ('effective date') after the approved scheme was filed with the Registrar of Companies.

ii) Salient features of the Scheme

The salient features of the scheme were as follows:

a) All assets, debts, liabilities, duties and obligations comprising the undertaking of the Transferor company shall stand transferred or deemed to have been transferred to the Company with effect from 1 January 2009. All such assets, liabilities and reserves of the Transferor Company have been taken over at book values at the opening of the business on 1 January 2009.
b) The shareholders of the Company would be paid Rs. 2,273.50 lakh in proportion to their shareholding in the Company as on 1 January 2009. Further, as per the scheme this amount of Rs. 2,273.50 lakh will be adjusted against the debit balance of the shareholders of Robin appearing in the books of Robin/Indo.
c) All shares of the Company, i.e. 0.10 lakh equity shares of Rs. 10 each fully paid up will be reduced and the paid up value to the shareholders entitled thereto will be paid in cash, as part of the Scheme. Consequent to such payment, these shareholders cease to have any continuing stake in the Company.
d) The Authorised Share Capital of Transferee Company will be increased to the extent of the Authorised Share Capital of the Transferor Company from the effective date without any further act or deed.
e) The name of the Transferor Company will be retained by the Transferee company, i.e., the name of "Robin Solar Private Limited" shall stand changed to "Indosolar Limited", and the Memorandum and Articles of Association of the Transferee Company shall stand substituted by the Memorandum and Articles of Association of the Transferor Company and the Transferee Company's Constitution would change from Private to Public, without any further act or deed, upon the Scheme coming into effect.

iii) Consideration

In consideration of transfer and vesting of the undertaking of the Transferor company, in terms of the Scheme 1,850 lakh equity shares of Rs. 10 each and 150 lakh equity shares of Rs. 0.5 each partly paid to be allotted to shareholders of the Transferor Company in the same proportion of their holdings in the Transferor Company (the paid up capital of the Transferor Company is same as the shares allotted).

The Transferor Company called and received Rs. 3.50 against 100 lakh equity shares subsequent to the appointed date. As per the approved scheme the same shall continue in the Transferee Company on the same terms and conditions as if the same had been issued and allotted by the Transferee Company.

Equity shares allotted and reduced pursuant to the scheme of amalgamation on 24 September 2009:

Description	**Amount** *(in Lakh Rupees)*
Shares allotted pursuant to the scheme of amalgamation	
Shares of Indo existing as at 31 December 2008	
Fully paid equity shares of Rs. 10 each	18,500.00
Partly paid equity shares – Rs. 0.50 paid up	50.00
Partly paid equity shares – Rs. 0.50 paid up	25.00
	18,575.00
Calls made and received subsequent to 31 December 2008	
Partly paid equity shares – Rs. 3.50 paid up	350.00
Shares allotted pursuant to the scheme of amalgamation – (A)	**18,925.00**
Less: Reduction of shares pursuant to the scheme of amalgamation	
Fully paid equity shares of Rs. 10 each – (B)	**1.00**
Total (A)-(B)	**18,924.00**

iv) Accounting treatment

The amalgamation which is in the nature of merger has been accounted for in accordance with the approved scheme of amalgamation and as prescribed by Accounting Standard 14 – "Accounting for Amalgamation":

a. The assets and liabilities of the Transferor Company as at 1 January, 2009 have been incorporated into the respective assets and liabilities of the Company. The assets, liabilities and balances taken over on amalgamation pursuant to the aforesaid scheme of amalgamation are outlined below:

Particulars	**Amount** *(In Lakh Rupees)*
Assets	
Fixed assets (net)	192.62
Capital work-in-progress (including advances)	31,519.91
Inventories	34.80
Cash and bank balances	8,809.44
Loans and advances	6,499.82
Liabilities	
Secured loans	24,588.90
Current liabilities and provisions	4,447.73
Net assets taken over	**18,019.96**
Accumulated losses of Transferor Company	**555.04**
Paid up value of shares to be issued by Robin pursuant to the above scheme of amalgamation	**18,575.00**
Excess / (deficit) of net assets over purchase consideration transferred to general reserve / profit and loss account	-

b. The debit balance of the Profit and Loss Account aggregating Rs. 555.04 lakh of the Transferor Company has been recognised in the same form and at the same amount as in the books of Transferor Company at the appointed date.

c. The shares issued to shareholders of Transferor Company have been recorded by way of credit to share capital at the amount considered as paid up thereon, i.e. Rs. 18,575.00 lakh.
d. The amount of Rs. 1.00 lakh on account of reduction of share capital would be paid to the shareholders of Robin, as per the scheme.
e. The amount of Rs. 2,273.50 lakh payable to the shareholders of the Company, as per the scheme, was adjusted against the advance receivable aggregating Rs. 2,054.50 lakh that existed in the books of the Transferor Company after the amalgamation and the balance of Rs. 219.00 lakh is included in sundry creditors. The amount of Rs. 2,273.50 lakh in respect of payments to be made to the shareholders was adjusted against revaluation reserve existing in Robin's books as at 31 December 2008 as per the scheme.
f. The Company changed its name from Robin Solar Private Limited to Robin Solar Limited on 12 October 2009 and further to Indosolar Limited on 24 October 2009 to give effect to the terms of the scheme.

b) Revaluation reserve

Leasehold land was revalued by an independent valuer as on 31 December 2008 resulting in increase in its value by Rs. 2,273.50 lakh which was credited to Revaluation Reserve. As explained in Note 2(b)IV(e) above, the revaluation reserve was utilised towards payments made to existing shareholders as of 31 December 2008 of the Company, pursuant to the scheme of amalgamation in the financial year ended 31 March 2009. As a result there was no effect on net asset value of the Company and correspondingly its net worth since the increase in the book value of land was offset by the decrease in net current assets. Therefore the revaluation reserve which was recognised as on 31 December 2008 had no impact on the net worth of the Company as at 31 March 2009 or in any subsequent financial years.

4. Capital commitments as at the respective period/year end:

(Amount in Lakh Rupees)

Particulars	As at 31 March 2006	As at 31 March 2007	As at 31 March 2008	As at 31 March 2009	As at 31 March 2010
Estimated amount of contracts remaining to be executed on capital account (net of advances)	-	-	1,623.50	16,237.90	115.29
Total	**-**	**-**	**1,623.50**	**16,237.90**	**115.29**

5. Contingent liability as at the respective year end:

(Amount In Lakh Rupees)

Particulars	As at 31 March 2006	As at 31 March 2007	As at 31 March 2008	As at 31 March 2009	As at 31 March 2010
Contingent liability*	-	-	-	-	1,151.61
Total	**-**	**-**	**-**	**-**	**1,151.61**

*This represents bills discounted with the banks

6. Capital work in progress (including capital advances)

The details of capital work in progress/advances have been given below:

(Amount In Lakh Rupees)

Particulars	As at 31 March 2006	As at 31 March 2007	As at 31 March 2008	As at 31 March 2009	As at 31 March

					2010
Capital work in progress	-	-	-	28,936.96	989.75
Capital advances	-	-	286.50	5,361.12	16.37
Expenditure attributable to assets pending capitalisation	-	-	-	411.15	-
Borrowing costs pending capitalisation	-	-	-	1,566.62	-
Total	**-**	**-**	**286.50**	**36,275.85**	**1,006.12**

7. Segment reporting

Business segment

In the opinion of the management, there is only one reportable segment i.e. manufacturing of solar cells, as envisaged by Accounting Standard 17 "Segment Reporting", prescribed by the Companies (Accounting Standards) Rules, 2006.

Geographical segment

The Company sells its products to various customers within the country and also exports to other companies. Considering the size and proportion of exports to local sales, the Company considers sales made within the country and exports as different geographical segments.

Information about secondary business segments for the year ended 31 March 2010:

(Amount In Lakh Rupees)

Particulars	Within India	Outside India	Total
Revenue	719.45	10,532.22	11,251.67
Segment assets	78,436.31	1,684.35	80,120.66
Addition to fixed assets	30,298.75	-	30,298.75

Information about secondary business segments for the year ended 31 March 2009:

(Amount In Lakh Rupees)

Particulars	Within India	Outside India	Total
Revenue	-	-	-
Segment assets	42,084.20	5,263.71	47,347.91
Addition to fixed assets	37,702.35	-	37,702.35

8. Expenditure attributable to assets pending capitalisation for the respective periods:

The Company has incurred certain revenue expenses attributable to assets under construction, which has either been capitalised or would be capitalized along with the cost of fixed assets in future years. The details of such expenditure incurred and the movement thereof has been given below:

(Amount In Lakh Rupees)

Particulars	Year ended 31 March 2009	Year ended 31 March 2010
Manufacturing expenses:		
Raw material consumed	-	990.62
Consumable stores	-	6.68
Fuel and power	-	312.86
Gas management charges	-	7.87
Equipment rental charges	-	62.80
Spares consumed	-	96.27
Sub total - (A)	**-**	**1,477.10**
Personnel costs		
Salaries, wages and bonus	40.55	72.14

Particulars	Year ended 31 March 2009	Year ended 31 March 2010
Contribution to provident and other funds	5.25	3.46
Staff welfare	13.14	9.66
Sub total - (B)	**58.94**	**85.26**
Operating expenses pending capitalisation:		
Power and fuel	43.84	-
Travel and conveyance	13.14	3.16
Legal and professional	1.18	-
Rent	15.10	-
Insurance expenses	8.18	51.36
Communication	2.51	0.79
Repair and maintenance – others	2.55	1.72
Miscellaneous	5.81	6.72
Sub total –(C)	**92.31**	**63.75**
Borrowing cost (net of incomes from fixed deposits out of borrowed funds):		
Interest on term loan	712.10	2,238.72
Other finance charges	69.51	79.22
	781.61	**2,317.94**
Less: Interest income on fixed deposits	(10.60)	-
Sub total – (D)	**771.01**	**2,317.94**
Depreciation – (E)	**-**	**34.89**
Less: Net realisable value of finished goods produced during test run production stage – (F)	**-**	**793.16**
Total amount (A)+(B)+(C)+(D)+(E)-(F)	**922.26**	**3,185.78**
Add: Opening balance	-	1,977.77
Add: Amount acquired on amalgamation	1,128.21	-
Less: Amount capitalised/adjusted	72.70	5,163.55
Balance to be carried forward	**1,977.77**	**-**

Note: There were no expenses attributable to capital assets for the period/years ended 31 March 2006, 31 March 2007 and 31 March 2008.

Indosolar Limited

(formerly Robin Solar Private Limited)

Annexure VI

Details of loans, as restated

(A) Unsecured Loans, as restated

(Amounts in Lakh Rupees)

Source	Year ended 31 March 2006	Year ended 31 March 2007	Year ended 31 March 2008	Year ended 31 March 2009	Year ended 31 March 2010
Promoters					
Bhupinder Singh	1.79	1.79	-	-	-
Manmohan Singh	0.15	0.15	-	-	-
	1.94	**1.94**	**-**	**-**	**-**
Promoter group					
Gurmeet Kaur	2.20	4.57	-	-	-
Jobanmeet Singh	0.56	0.56	-	-	-
Randeep Singh	5.50	7.70	-	-	-
S.Sewa Singh	-	0.40	-	-	-
Tejinder Kaur	-	0.50	-	-	-
Tej Mohan Singh	13.00	13.00	-	-	-
Gaurav textiles	10.89	11.77	-	-	-
Japan Auto Ind	7.50	8.83	-	-	-
Manmohan Singh & Brothers	6.40	6.40	-	-	-
Manmohan Singh HUF	1.79	8.94	-	-	-
Manpati Textiles	13.15	13.16	-	-	-
M.J.Enterprises	35.11	35.12	-	-	-
M.R.Brothers	11.32	15.64	-	-	-
N.K.Fabrics	4.00	11.42	-	-	-
Sarguna Engineering Works	10.40	31.77	-	-	-
S.Charan Singh Manmohan Singh	-	0.20	-	-	-
Sewa Singh Mandip Singh	10.45	11.87	-	-	-
S.K Fabrics	8.95	12.60	-	-	-
B. K. Gupta	-	-	-	-	500.00
H. R. Gupta	-	-	-	-	200.00
	141.22	**194.46**	**-**	**-**	**700.00**
Total	**143.16**	**196.40**	**-**	**-**	**700.00**

Notes:

1. Loans taken from Promoter/ Promoter group were interest free and repayable on demand.
2. The list of persons/parties/entities classified as promoter group has been identified by the management and relied upon by the auditors.

(B) Secured Loans, as restated

(Amounts in Lakh Rupees)

Source	8 April 2005 to 31 March 2006	Year ended 31 March 2007	Year ended 31 March 2008	Year ended 31 March 2009	Year ended 31 March 2010
1. Term loans from banks	-	-	-	24,483.19	45,833.75
(refer Note 1 below)					
2. Short term working capital loan from banks					
- Cash credit	-	-	-	-	2,693.48
- Packing credit	-	-	-	-	710.42
- Buyers credit	-	-	-	-	1,935.84
(refer Note 1 below)					
3. Short term loan from bank	-	-	-	-	2,500.00
(refer Note 1 below)					
Total	**-**	**-**	**-**	**24,483.19**	**53,673.49**

Indosolar Limited

(formerly Robin Solar Private Limited)

Annexure VI

Note 1:

continued

The terms and conditions of the loans outstanding as at 31 March 2010, including interest rates, principal terms of security and repayment terms are given in the table below:

Item	Source	Sanctioned limit in Rs. Lakhs	Utilised limit	Interest Rate	Security	Repayment terms
1) Term Loan from Banks	Consortium of Banks -				1)Secured by first mortgage of all immovable properties of the Company, both present and future and leasehold land, ranking pari-passu with all charge holders, being lending banks forming a consortium. 2) Secured by a first charge by way of hypothecation of all moveable properties, including moveable machinery, machinery procured under letter of credit, machinery spares, equipments, electrical fittings, air conditioners, power generators insulation, installations, fixtures, vehicles, moveables and other assets, construction equipments, tools and accessories, both present and future, ranking pari-passu with all charge holders, being lending banks forming a consortium.	The repayment of principal amount of loan begins after a moratorium period of 12 months commencing from the Commercial Operations date but not later than 1 April 2010. The loan is to be repaid in 20 equal quarterly installments.
INR facility	Union bank of India	12,000.00	12,000.00	BPLR minus spread =11.25 %		
	Corporation Bank	9,000.00	8,999.75	BPLR minus spread = 11%		
	Indian Bank	8,000.00	8,000.00	BPLR plus 0.50% minus spread =11.50 %		
	Andhra Bank	8,000.00	7,834.00	BPLR plus 0.25% minus spread = 12 %		
	Bank of Baroda	9,000.00	9,000.00	BPLR minus spread = 11.50%	3. Secured by an assignment of: (i) all the escrow account	

Item	Source	Sanctioned limit in Rs. Lakhs	Utilised limit	Interest Rate	Security	Repayment terms
					and all rights and interests therein, present and future; (ii) the right, title and interest, by way of first charge, in and under all of the project documents, contracts, licenses, permits, consents; indemnities and securities that may be furnished by any counter party under any project documents or contracts in favour of the Company, after obtaining the written consent of the parties thereto, if necessary. (iii) the right, title and interest in, by way of first charge, all government approvals, insurance policies. 4. The loan facilities are further secured by the pledge of 51% of the equity share capital held by the promoters of the Company. 5.The loan facilities are also secured by way of personal guarantees given by the Directors of the Company i.e. Mr. B. K. Gupta and Mr. H.R. Gupta	
			45,833.75			
2) Working capital loan:	Consortium of Banks -					
a) Cash credit and ovedraft facility						
INR facility	Corporation Bank	(refer Note 2 below)	1,086.64	COBAR =12%	1.Secured by pari-passu first charge on inventory, bills receivable, book debts and current assets of the Company, both present and future. 2. Secured by pari-passu second mortgage and charge on the Company's immovable and movable properties, both present and future. 3. The loan facilities are further secured by way of personal guarantees given by	Repayable on demand
	Andhra Bank	(refer Note 4 below)	259.54	BPLR minus 0.50% = 11.50%		

Item	Source	Sanctioned limit in Rs. Lakhs	Utilised limit	Interest Rate	Security	Repayment terms
					the Directors of the Company i.e. Mr. B. K. Gupta and Mr. H.R. Gupta.	
	Indian Bank	(refer Note 5 below)	337.00	BPLR minus 0.50% = 11.50%		
	Union Bank of India (refer Note 3 below)	(refer Note 6 below)	1,010.30	BPLR minus 0.50% = 11.25%		
			2,693.48			
b) Packing credit facility	Consortium of Banks -					
INR facility						
	Union Bank of India (refer Note 3 below)	(refer Note 6 below)	660.42	9.25%	1.Secured by pari-passu first charge on inventory, bills receivable, book debts and current assets of the Company, both present and future. 2. Secured by pari-passu second mortgage and charge on the Company's immovable and movable properties, both present and future. 3. The loan facilities are further secured by way of personal guarantees given by the Directors of the Company i.e. Mr. B. K. Gupta and Mr. H.R. Gupta.	Repayable on demand
	Bank of Baroda	(refer Note 3 below)	50.00	9.50%		
			710.42			
c) Buyers Credit						
INR facility						
	Andhra Bank	(refer Note 4 below)	686.54	5M LIBOR+1.50%	1.Secured by pari-passu first charge on inventory, bills receivable, book debts and current assets of the Company, both present and future. 2. Secured by pari-passu second mortgage and charge on the Company's immovable and movable properties, both present and	To be repaid after 149 days from date of disbursememt
	Bank of Baroda	(refer Note 3 below)	657.81	LIBOR+(90 to 160) basis points		To be repaid after 90-160 days from date of disbursement

Item	Source	Sanctioned limit in Rs. Lakhs	Utilised limit	Interest Rate	Security	Repayment terms
					future.	
	Indian Bank	(refer Note 5 below)	591.49	6M LIBOR+1.50%	3. The loan facilities are further secured by way of personal guarantees given by the Directors of the Company i.e. Mr. B. K. Gupta and Mr. H.R. Gupta.	To be repaid after 180 days from date of disbursement
			1,935.84			
5) Short term loan from bank						
INR facility						
	Union bank of india	2,500.00	2,500.00	BPLR plus 1.00% =12.75 %	1) Secured by first charge by way of hypothecation on pari passu basis of all those machinery, plant, capital goods and other assets purchased or to be purchased whether installed or not. Further secured by way of hypothecation of all plant & machinery installed at factory building on pari-passu with other banks. 2) The loan facilities are further secured by way of personal guarantees given by the Directors of the Company i.e. Mr. B. K. Gupta and Mr. H.R. Gupta	The loan is to be repaid within 3 months from the date of disbursement.
			2,500.00			

Notes:

1. BPLR or Benchmark Prime Lending Rate shall mean the benchmark rate of interest for loan of each lending bank.
2. The overall sanctioned limit for working capital facility availed from Corporation bank cannot exceed Rs. 1,463.00.
3. The overall sanctioned limit for working capital facility availed from Bank of Baroda cannot exceed Rs. 1,463.00.
4. The overall sanctioned limit for working capital facility availed from Andhra Bank cannot exceed Rs. 1,312.00.
5. The overall sanctioned limit for working capital facility availed from Indian Bank cannot exceed Rs. 1,312.00.
6. The overall sanctioned limit for working capital facility availed from Union Bank of India cannot exceed Rs. 1,650.00.
7. Prepayment terms: The Company can prepay Term loans in full or in part to the Lenders (Consortium of banks): a) without any prepayment penalty if the prepayment of the outstanding amount of loan on the interest reset date; or if such prepayment is made out of internal cash accruals, proceeds of Initial public offer or Government subsidies; b) with prepayment penalty of 1% on the loan prepaid, if prepayment of loan is done not in accordance with (a) above and such prepayment will be applied to repayment installment in the inverse order of their maturity.
8. Event of default: An event of default as specified in the agreement includes: a) where default has occurred in the payment of principal sums of loan or interest and such default has continued for a period of 30 days in accordance with the terms of agreement; b) non creation of security beyond 120 days of initial disbursement of loan; c) default in the performance of covenants or

agreement on the part of the Company and such default continues for a period of 90 days after a notice in writing thereof has been given to the Company by the Lenders and other events of default as detailed in the terms of the agreement.

9. In the event of default, the contract shall be terminated and the loan outstanding and interest shall become applicable with immediate effect. The bank shall be entitled to exercise all rights specified in the agreement for enforcement of security interests as created under security documents and such remedies as permitted or available under Applicable law.

10. There are no specific penalty clauses specified in the agreement other than those arising due to the occurrence of events of default.

Indosolar Limited

(formerly Robin Solar Private Limited)

Annexure VII

Other income, as restated

(Amounts in Lakh Rupees)

Particulars	Year ended 31 March 2006	Year ended 31 March 2007	Year ended 31 March 2008	Year ended 31 March 2009	Year ended 31 March 2010	Related / Incidental to business activity
Recurring						
Interest received on fixed deposit	-	-	-	73.96	17.97	Incidental
Foreign exchange gain (net)	-	-	-	-	1,857.84	Incidental
Non Recurring						
Miscellaneous income	-	-	-	-	20.37	Incidental
Total (A)	**-**	**-**		**73.96**	**1,896.18**	
Net profit/(loss) before tax, as restated (B)	(20.84)	(22.31)	(28.38)	(814.96)	(6,620.07)	
Other income as a % of (B) above -(A/B) (refer note 3)	**-**	**-**	**-**	**-**	**-**	

Notes:

1. Other income considered above is as per the summary Statement of Profits and Losses, as restated.
2. The classification of income as recurring/ non recurring and classification as incidental to business activity is based on the current operations and business activity of the Company as determined by the management.
3. The Company has incurred losses during the period/years mentioned above, therefore the percentage of other income with respect to Net profit/(loss) before tax cannot be meaningfully calculated.

Indosolar Limited

(formerly Robin Solar Private Limited)

Accounting Ratios

Annexure VIII

(Amounts in Lakh Rupees unless otherwise stated)

Particulars	Year ended 31 March 2006	Year ended 31 March 2007	Year ended 31 March 2008	Year ended 31 March 2009	Year ended 31 March 2010
Net Profit after adjusted tax **(A)**	(20.84)	(22.31)	(28.38)	(827.01)	(6,621.30)
Net worth at the end of the year **(B) #**	(19.84)	(42.15)	(70.53)	17,471.42	14,376.01
Weighted average number of equity shares outstanding during the year **(C)**	10,000	10,000	10,000	12,37,19,178	20,03,75,015
Weighted average number of equity shares and dilutive potential equity shares outstanding during the year **(D)**	10,000	10,000	10,000	12,37,19,178	20,03,75,015
Total number of equity shares outstanding at the end to the year **(E) ##**	10,000	10,000	10,000	10,000	20,84,00,000
a) Earnings per equity share (in Rupees)					
- Basic **(A/C)**	(208.45)	(223.10)	(283.80)	(0.67)	(3.32)
- Diluted **(A/D)**	(208.45)	(223.10)	(283.80)	(0.67)	(3.32)
b) Return on Net worth (%) **(A/B)**	*	*	*	-4.73%	-46.06%
c) Net Asset Value per share (in Rupees) **(B/E)**	(198.40)	(421.50)	(705.30)	1,74,714.20	6.90

[#] Shares to be issued pursuant to the scheme of amalgamation has been included for the purpose of computing the net worth for the financial year ended 31 March 2009

[##] Represents equity shares outstanding excluding shares to be issued pursuant to the scheme of amalgamation.

[*] Not applicable since the Company has a negative net worth

Notes:

1. The ratios have been computed as follows

Basic earning per share = $\dfrac{\text{Net profit/(loss) after tax attributable to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the year/period}}$

Diluted earning per share = $\dfrac{\text{Net profit/(loss) after tax attributable to equity shareholders}}{\text{Weighted average number of equity shares outstanding during the year/period after taking into account all outstanding conversions and options}}$

Return on net worth = $\dfrac{\text{Net profit/(loss) as restated}}{\text{Net worth as at the year/period end}}$

Net asset value (NAV) = $\dfrac{\text{Net worth as at the year/period end}}{\text{Number of equity shares outstanding as at the year/period end}}$

2. There are no revaluation reserves outstanding as at 31 March 2006, 31 March 2007, 31 March 2008, 31 March 2009 and 31 March 2010 that would require adjustment to the restated financial information.
3. The net asset value per share for the year ended 31 March 2009 has been computed without considering the effect of equity shares to be issued pursuant to the scheme of amalgamation as such shares were not outstanding as at the year end.
4. Subsequent to 31 March 2010 (which is the last date as of which financial information has been given in this document) the Company has allotted 3,640,579 equity shares of Rs. 10 each, fully paid up, at a premium of Rs. 30 per equity share to Schmid Singapore Pte Limited.

5. Earnings per share has been computed using weighted average number of equity shares outstanding during the period/years in accordance with the provisions of Accounting Standard -20 on Earnings per share.
6. Share application money pending allotment amounting to Rs. 151,650,000 represents potential equity shares outstanding as at 31 March 2010. However considering the fact that the Company has incurred losses, therefore the effect of potential equity shares is anti dilutive, hence no effect thereof has been considered.

Indosolar Limited

(formerly Robin Solar Private Limited)

Annexure IX

Statement of Capitalisation, as restated

(Amounts in Lakh Rupees)

Particulars		Pre - issue as at 31 March 2010	Post - issue
Borrowings			
Long term debts		46,533.75	
Short term debts		7,839.74	
		54,373.49	
Shareholder's funds			
(i) Equity Share Capital		20,840.00	
(ii) Reserves and surplus			
- Securities premium		364.00	
- Profit and Loss Account		(8,074.88)	
(iii) Share application money pending allotment		1,516.50	
(iii) Misc Expenditure to the extent not written off or adjusted		(269.61)	
Total Shareholder's Funds		**14,376.01**	
Long Term Debt/Equity Ratio		**3.24**	

Notes:

1. The post- issue debt equity ratio will be computed on the conclusion of book building process.
2. The figures computed above are as per the statements of assets and liabilities and profits and losses, as restated.
3. Subsequent to 31 March 2010 (which is the last date as of which financial information has been given in this document) the Company has allotted 3,640,579 equity shares of Rs. 10 each, fully paid up, at a premium of Rs. 30 per equity share to Schmid Singapore Pte Limited.
4. Long term debt/ equity ratio

Long term debt/

Total shareholder funds

Indosolar Limited

(formerly Robin Solar Private Limited)

Annexure X

Statement on Tax shelters, as restated

(Amounts in Lakh Rupees, except for tax rates)

Particulars	8 April 2005 to 31 March 2006	Year ended 31 March 2007	Year ended 31 March 2008	Year ended 31 March 2009	Year ended 31 March 2010
Profit/(Loss) before current and deferred taxes as restated (A)	(20.84)	(22.31)	(28.38)	(814.96)	(6,620.07)
Tax rate	33.66%	33.66%	33.99%	33.99%	33.22%
Notional tax on book profit/(loss)	(7.01)	(7.51)	(9.65)	(277.00)	(2,199.19)
Income tax provision in books	-	-	-	-	-
Adjustments to (A):					
Permanent Differences					
Add:					
Expenses disallowed under Income tax Act	20.64	22.31	28.38	55.06	29.61
Total permanent differences (B)	**20.64**	**22.31**	**28.38**	**55.06**	**29.61**
Timing differences					
Add:					
Loss/(gain) on exchange fluctuation - capital	-	-	-	82.98	(841.82)
Bonus payable	-	-	-	13.18	54.73
Provision for compensated absences and gratuity	-	-	-	11.36	14.43
Less:					
Difference between tax depreciation and book depreciation	-	-	-	(211.16)	(14,524.71)
Bonus paid	-	-	-	-	(12.65)
Gratuity paid	-	-	-	-	(12.92)
Total timing differences (C)	**-**	**-**	**-**	**(103.65)**	**(15,322.94)**
Net adjustment (D = B + C)	20.64	22.31	28.38	(48.59)	(15,293.33)
Carry forward business loss and unabsorbed depreciation for the year (E = A+D)	(0.20)	-	-	(863.55)	(21,913.40)

Notes:

1. The aforesaid Statement of Tax shelters, as restated has been prepared as per the restated statement of profits and losses of Indosolar Limited.
2. The permanent/timing differences have been computed considering the acknowledged copies of the income-tax returns filed by the Company for each of the respective years presented in the above statement.
3. The figures for the year ended 31 March 2010 are based on the provisional computation of total income prepared by the Company for the year then ended and are subject to changes that might be considered by the Company at the time of filing its return of income for the Assessment Year 2010-11.
4. The Company is eligible to claim tax benefit under Section 10B of the Income tax Act, 1961. However, the Company is yet to claim the same in its Income tax returns.

Indosolar Limited

(formerly Robin Solar Private Limited)

Annexure XI

A. Sundry Debtors, as restated

(Amounts in Lakh Rupees)

Particulars	8 April 2005 to 31 March 2006	Year ended 31 March 2007	Year ended 31 March 2008	Year ended 31 March 2009	Year ended 31 March 2010
Considered good					
Debts outstanding for a period					
- exceeding six months	-	-	-	-	-
- less than six months	-	-	-	-	2,310.51
Considered doubtful					
-debts outstanding for a period exceeding six months	-	-	-	-	-
-other debts	-	-	-	-	-
	-	**-**	**-**	**-**	**2,310.51**
Less : Provision for doubtful debts	-	-	-	-	-
	-	**-**	**-**	**-**	**2,310.51**

Note: The figures of debtors mentioned above do not include any related parties. Further, no debtors mentioned above are related to director, promoter and the company

B. Loans and advances, as restated

(Amounts in Lakh Rupees)

Particulars	8 April 2005 to 31 March 2006	Year ended 31 March 2007	Year ended 31 March 2008	Year ended 31 March 2009	Year ended 31 March 2010
Considered good					
Advances recoverable in cash or in kind or for value to be received #	-	-	-	515.19	1,262.46
Prepaid expenses	-	-	-	68.27	38.14
Advance tax [net of provision for tax]	-	-	-	54.01	59.45
Interest on fixed deposits accrued but not due	-	-	-	96.80	8.58
Balance in approved gratuity fund (net of provision for gratuity)	-	-	-	-	2.85
Total	**-**	**-**	**-**	**734.27**	**1,371.48**

It includes money held in trust by directors amounting to Rs. 253.53 lakhs as at 31 March 2010.Except this, no loans and advances mentioned above are related to director, promoter and the company. Also refer to Note 2(I)(i) of Annexure V.

Indosolar Limited

(formerly Robin Solar Private Limited)

Related Party disclosures

Annexure XII

(Amounts in Lakh Rupees)

(a) Related Party disclosure for the period 8 April 2005 to 31 March 2006, as restated

a) Parties where control exists:	
Individuals controlling the Company (also the key managerial personnel)	Mr. Bhupinder Singh
(Refer Note 1 to this Annexure)	Mr. Manmohan Singh
b) Other related party relationships where transactions have taken place during current year:	
i) Relatives of key managerial personnel controlling the Company	Ms. Gurmeet Kaur
	Mr. Jobanmeet Singh
	Mr. Randeep Singh
	Mr. Tej Mohan Singh
ii) Enterprise over which individuals controlling the Company have significant influence	Manmohan Singh [HUF]
	Gaurav Textiles
	Japan Auto Industries
	Manmohan Singh & Bros.
	Manpati Textiles
	M.J. Enterprises
	M.R. Brothers
	N.K. Fabrics
	Sarguna Engineering Works
	S.K. Fabrics
	Sewa Singh Mandip Singh
c) Following are the details of related party transactions:	
Transactions during the year	**8 April 2005 to 31 March 2006**
Unsecured loans received	
M.J. Enterprises	35.11
Manpati Textiles	13.15
Mr. Tej Mohan Singh	13.00
M.R. Brothers	11.32
Gaurav Textiles	10.89
Sewa Singh Mandip Singh	10.45
Sarguna Engineering Works	10.40
S.K. Fabrics	8.95
Japan Auto Industries	7.50
Manmohan Singh & Bros.	6.40
Mr. Randeep Singh	5.50
N.K. Fabrics	4.00
Ms. Gurmeet Kaur	2.20
Manmohan Singh [HUF]	1.79
Mr. Bhupinder Singh	1.79
Mr. Jobanmeet Singh	0.56
Mr. Manmohan Singh	0.15
d) Outstanding balances as at the year end	
Particulars	**As at 31 March 2006**
Unsecured loans:	
Mr. Tej Mohan Singh	13.00
Mr. Randeep Singh	5.50
Ms. Gurmeet Kaur	2.20
Mr. Bhupinder Singh	1.79
Mr. Jobanmeet Singh	0.56

Mr. Manmohan Singh	0.15
M.J. Enterprises	35.11
Manpati Textiles	13.15
M.R. Brothers	11.32
Gaurav Textiles	10.89
Sewa Singh Mandip Singh	10.45
Sarguna Engineering Works	10.40
S.K. Fabrics	8.95
Japan Auto Industries	7.50
Manmohan Singh & Bros.	6.40
N.K. Fabrics	4.00
Manmohan Singh [HUF]	1.79

Indosolar Limited

(formerly Robin Solar Private Limited)

Related Party disclosures

Annexure XII (Contd.)

(b) Related Party disclosure for the year ended 31st March 2007, as restated

a) Parties where control exists:	
Individuals controlling the Company (also the key managerial personnel)	Mr. Bhupinder Singh
(Refer Note 1 to this Annexure)	Mr. Manmohan Singh
b) Other related party relationships where transactions have taken place during current year:	
i) Relatives of individuals controlling the Company	Ms. Gurmeet Kaur
	Mr. Randeep Singh
	Ms. Tejinder Kaur
	Mr. S.Sewa Singh
ii) Enterprise over which individuals controlling the Company have significant influence	Manmohan Singh [HUF]
	Gaurav Textiles
	Japan Auto Industries
	M.R. Brothers
	N.K. Fabrics
	Sarguna Engineering Works
	S.K. Fabrics
	Sewa Singh Mandip Singh
	S.Charan Singh Manmohan Singh
c) Following are the details of related party transactions:	
Transactions during the year	**Year ended 31 March 2007**
Unsecured loans received	
Sarguna Engineering Works	21.37
N.K.Fabrics	7.42
Manmohan Singh HUF	7.14
M.R.Brothers	4.32
S.K Fabrics	3.65
Ms. Gurmeet Kaur	2.37
Mr. Randeep Singh	2.20
Sewa Singh Mandip Singh	1.42
Japan Auto Ind	1.33
Gaurav textiles	0.88
Ms. Tejinder Kaur	0.50
S.Sewa Singh	0.40
S.Charan Singh Manmohan Singh	0.20
d) Outstanding balances as at the year end	
Particulars	**As at 31 March 2007**

Unsecured loans:	
Mr. Tej Mohan Singh	13.00
Mr. Randeep Singh	7.70
Ms. Gurmeet Kaur	4.57
Mr. Jobanmeet Singh	0.56
Ms. Tejinder Kaur	0.50
S.Sewa Singh	0.40
Mr. Manmohan Singh	0.15
Sarguna Engineering Works	31.77
M.J.Enterprises	35.11
M.R.Brothers	15.64
Manpati Textiles	13.15
S.K Fabrics	12.60
Sewa Singh Mandip Singh	11.87
Gaurav textiles	11.77
N.K.Fabrics	11.42
Manmohan Singh HUF	8.93
Japan Auto Ind	8.83
Manmohan Singh & Brothers	6.40
S.Charan Singh Manmohan Singh	0.20

Indosolar Limited

(formerly Robin Solar Private Limited)

Related Party disclosures

Annexure XII (Contd.)

(c) Related Party disclosure for the year ended 31st March 2008, as restated

a) Parties where control exists:	
Individuals controlling the Company (also the key managerial personnel) (Refer Note 1 to this Annexure)	Mr. H.R. Gupta (w.e.f 15 January 2008)
	Mr. B.K. Gupta (w.e.f 15 January 2008)
	Mr. Bhupinder Singh (up to 14 January 2008)
	Mr. Manmohan Singh (up to 14 January 2008)
b) Other related party relationships where transactions have taken place during current year:	
i) Relatives of individuals controlling the Company	Mrs. Priya Desh Gupta (w.e.f 15 January 2008)
ii) Enterprise over which individuals controlling the Company have significant influence	Erstwhile Indosolar Limited (formerly known as Phoenix Solar India Limited) ("Indo") (w.e.f 15 January 2008 till 31 December 2008)
c) Following are the details of related party transactions:	
Transactions during the year	**Year ended 31 March 2008**
Advance received against project as per the joint business development agreement:	
Erstwhile Indosolar Limited	497.05
d) Outstanding balances as at the year end	
Particulars	**As at 31 March 2008**
Sundry creditors:	
Erstwhile Indosolar Limited*	548.05

* includes Rs. 51.00 lakhs received prior to 18 January 2008, when erstwhile Indosolar Limited was not a related party.

Indosolar Limited

(formerly Robin Solar Private Limited)

Related Party disclosures

Annexure XII (Contd.)

(d) Related Party disclosure for the year ended 31st March 2009, as restated

a) Parties where control exists:	
Individuals controlling the Company	Mr. H.R. Gupta
(Refer Note 1 to this Annexure)	Mr. B.K. Gupta
b) Other related party relationships where transactions have taken place during current year:	
i) Relatives of key managerial personnel controlling the Company	Mrs. Priya Desh Gupta (w.e.f 15 January 2008)
ii) Enterprise over which key managerial personnel controlling the Company have significant influence	Erstwhile Indosolar Limited (formerly known as Phoenix Solar India Limited) (w.e.f 15 January 2008 till 31 December 2008)
iii) Key managerial personnel	Mr. H.R. Gupta (w.e.f. 1 July 2008)
	Mr. B.K. Gupta (w.e.f. 1 July 2008)
	Mr. A.K. Agarwal (w.e.f. 1 July 2008)
c) Following are the details of related party transactions:	
Transactions during the year	**Year ended 31 March 2009**
Rent paid to	
Mrs. Priya Desh Gupta	0.75
Share call money received :	
H.R. Gupta	350.00
Advance received against project as per the joint business development agreement:	
Erstwhile Indosolar Limited (for the period 1 April 2008 to 31 December 2008)	3,245.48
Expenses reimbursed by:	
Erstwhile Indosolar Limited (for the period 1 April 2008 to 31 December 2008)	39.06
Expenses reimbursed to:	
Erstwhile Indosolar Limited (for the period 1 April 2008 to 31 December 2008)	357.67
Managerial Remuneration (also refer to note 13 of Schedule 14)	
Mr. H.R. Gupta (w.e.f. 1 July 2008)	138.95
Mr. B.K. Gupta (w.e.f. 1 July 2008)	193.09
Mr. A.K. Agarwal (w.e.f. 1 July 2008)	43.54
Guarantees given on behalf of :	
IndoSolar Limited (for the period 1 April 2008 to 31 December 2008)	24,588.90
Guarantees given on behalf of the Company by:	
Mr. H.R. Gupta	46,000.00
Mr. B.K. Gupta	46,000.00
d) Outstanding balances as at the year end	
Particulars	**As at 31 March 2009**
Sundry creditors:	
H.R. Gupta	1.94

Indosolar Limited

(formerly Robin Solar Private Limited)

Related Party disclosures

Annexure XII (Contd.)

(e) Related Party disclosure for the period ended 31st March 2010, as restated

a) Parties where control exists:	
Individuals controlling the Company	Mr. H.R. Gupta
(Refer Note 1 to this Annexure)	Mr. B.K. Gupta
b) Other related party relationships where transactions have taken place during current year:	
i) Relatives of key managerial personnel controlling the Company	Mrs. Priya Desh Gupta
ii) Key managerial personnel	Mr. H.R. Gupta
	Mr. B.K. Gupta
	Mr. A.K. Agarwal
c) Following are the details of related party transactions:	

Transactions during the year	Year ended 31 March 2010
Equity share call money received #	
Mr. H.R. Gupta	600.00
Mr. B.K. Gupta	475.00
Payment received towards issue of fully paid equity shares	
Mr. H.R. Gupta	550.00
Mr. B.K. Gupta	150.00
Rent paid to	
Mrs. Priya Desh Gupta	3.70
Managerial Remuneration	
Mr. H.R. Gupta	194.76
Mr. B.K. Gupta	263.38
Mr. A.K. Agarwal	46.38
Unsecured loan received from:	
Mr. H.R. Gupta	200.00
Mr. B.K. Gupta	500.00
Guarantees given on behalf of the Company by:	
Mr. H.R. Gupta	63,500.00
Mr. B.K. Gupta	63,500.00

During the year the Company called money on 5,000,000 equity shares held by Mr. B.K Gupta of Rs. 9.5 each and called money on 10,000,000 equity shares held by Mr. H.R. Gupta of Rs. 6 each.

d) Outstanding balances as at the year end

Particulars	As at 31 March 2010
Loans and advances (refer note 3(1)(c) of Annexure V:	
Mr. H.R. Gupta	93.10
Mr. B.K. Gupta	127.92
Mr. A.K. Agarwal	22.51
Unsecured loan:	
Mr. H.R. Gupta	200.00
Mr. B.K. Gupta	500.00
Sundry creditors:	
H.R. Gupta	1.94

Note 1: Mr. Manmohan Singh and Mr. Bhupinder Singh, the erstwhile promoters, ceased to be related parties with effect from 15 January 2008. However, they continued to collectively hold the entire shareholding of the Company till 25 September 2009. Related party transactions and disclosures related to erstwhile promoters who were individuals controlling the company earlier have been given in the respective years in accordance with Accounting Standard – 18 on Related Parties. Mr. H.R. Gupta and Mr. B.K. Gupta (the current promoters), became related parties as individuals controlling the Company, with effect from 15 January 2008.

FINANCIAL INFORMATION OF TRANSFEROR COMPANY

IndoSolar Limited

(formerly known as Phoenix Solar India Limited)

Balance Sheet as at 31 December 2008

(All amounts in Indian Rupees Lakh)

	Schedule	As at 31 December 2008	As at 31 March 2008
SOURCES OF FUNDS			
Shareholders' funds			
Share capital	1	18,575.00	2,800.00
Share application money pending allotment		-	17.00
Secured loans	2	24,588.90	-
		43,163.90	**2,817.00**
APPLICATION OF FUNDS			
Fixed assets			
Gross block	3	216.94	111.53
Less: Accumulated depreciation		24.32	11.48
Net block		192.62	100.05
Capital work in progress (including capital advances)		31,519.91	684.52
		31,712.53	784.57
Deferred tax assets (net)	14(2)	-	0.69
Current assets, loans and advances			
Inventories	4	34.81	-
Cash and bank balances	5	8,809.44	50.44
Loans and advances	6	6,499.82	2,059.93
		15,344.07	2,110.37
Less:			
Current liabilities and provisions	7		
Current liabilities		4,434.04	143.38
Provisions		13.69	4.25
		4,447.73	147.62
Net current assets/(liabilities)		10,896.33	1,962.75
Miscellaneous expenditure	8	-	-
Profit and Loss Account		555.04	68.99
		43,163.90	**2,817.00**
Significant accounting policies	13		
Notes to the accounts	14		

The schedules referred to above form an integral part of the Balance Sheet
As per our report attached

For **B S R and Associates**
Chartered Accountants

For and on behalf of the Board of directors of
IndoSolar Limited

Akhil Bansal	**Hulas Rahul Gupta**	**Anand Kumar Agarwal**	**Atul Mittal**
Partner	Managing Director	Director	Company Secretary
Membership No.090906			
Place: Gurgaon	Place: Greater Noida	Place: Greater Noida	Place: Greater Noida
Date: 29.09.2009	Date: 29.09.2009	Date: 29.09.2009	Date: 29.09.2009

IndoSolar Limited

(formerly known as Phoenix Solar India Limited)

Profit and Loss Account for the period 1 April 2008 to 31 December 2008

(All amounts in Indian Rupees Lakh)

	Schedule	For the period 1 April 2008 to 31 December 2008	For the year ended 31 March 2008
INCOME			
Service income		-	250.00
Other income	9	145.55	15.07
		145.55	**265.07**
EXPENDITURE			
Personnel costs	10	39.71	18.39
Other operating expenses	11	562.58	258.34
Depreciation	3	15.09	15.03
Finance and related charges	12	2.43	0.24
Preliminary expenses written off	8	-	2.00
		619.81	**294.00**
Loss before tax		**(474.26)**	**(28.92)**
Provision for tax:			
- current tax		-	13.40
- deferred tax		0.69	(0.69)
- wealth tax		1.40	0.80
- fringe benefit tax		9.70	11.71
Loss after tax		**(486.05)**	**(54.15)**
Loss brought forward		(68.99)	(14.84)
Balance carried to Balance Sheet		**(555.04)**	**(68.99)**
Basic and diluted loss per equity share (face value of Rs. 10 each) [in Rs.]	14(11)	(0.47)	(9.39)
Significant accounting policies	13		
Notes to the accounts	14		

The schedules referred to above form an integral part of Profit and Loss Account

As per our report attached

For **B S R and Associates**
Chartered Accountants

For and on behalf of the Board of directors of
IndoSolar Limited

Akhil Bansal
Partner
Membership No.090906
Place: Gurgaon
Date:29.09.2009

Hulas Rahul Gupta
Managing Director
Place: Greater Noida
Date: 29.09.2009

Anand Kumar Agarwal
Director
Place: Greater Noida
Date: 29.09.2009

Atul Mittal
Company Secretary
Place: Greater Noida
Date: 29.09.2009

IndoSolar Limited

(formerly known as Phoenix Solar India Limited)

Notes to the Accounts

(All amounts in Indian Rupees Lakh)

1. Joint Business Development arrangement:

a) During the year ended 31 March 2008, the Company entered into a Joint Business Development Agreement ('the JBD agreement') with Robin Solar Private Limited (formerly known as Robin Garments Private Limited) ('Robin'), whereby the two companies principally agreed to develop the land leased out to Robin, for the manufacture of photovoltaic cells ('the project'). As part of the JBD agreement, the Company was authorised to develop land and to construct the building for the purpose of the project. The Company would provide all the necessary financial and operational assistance to Robin in setting up of the project. In relation to the agreement so entered, the Company has provided financial assistance amounting to Rs. 4112.14 in the form of interest free advance against project to Robin, which has been shown under 'advances recoverable in cash or in kind' as at 31 December 2008.

b) In addition to the JBD agreement, the Company and the promoters of Robin also entered into a put and call option agreement (shares agreement) in which the Company agreed to purchase the shares of Robin for a consideration of Rs. 2273.50 As per the terms of the agreement ,the Company paid Rs. 2054.50 to the promoters of Robin as advance against shares and the balance was payable after regulatory approvals.

c) The Company and Robin entered into another agreement of leasing for a period of 5 years renewable at the option of the Company, to give effect to the JBD agreement. As per the terms of the agreement, plant and machinery purchased by the Company would be leased to Robin and the consideration receivable shall be apportioned towards lease rentals in the form of solar cells produced at a price lower than the prevailing market price and recovery of advance against project as mentioned in (a) above. No recovery in respect of such agreement has commenced as the manufacturing facility is being set up.

d) In connection with the JBD agreement, leasehold land referred in (a) above, given on lease by Greater Noida Industrial Development Authority (GNIDA) to Robin has been mortgaged to banks in respect of term loans taken by the Company.

2. Components of deferred tax asset/ liability

The Company estimates the deferred tax credits/ (charge) using the applicable rates of taxation based on the impact of timing differences between financial statements and estimated taxable income for the current year. However, in the absence of virtual certainty deferred tax assets arising on provision for employee benefits, preliminary expenses, unrealised foreign exchange losses and unabsorbed business losses have been recognized only to the extent of deferred tax liability:

Particulars	As at 31 December 2008	As at 31 March 2008
Components of deferred tax asset		
On account of unrealized foreign exchange loss and unabsorbed business losses	126.31	-
Others	1.61	1.00
Components of deferred tax liability		
On account of accelerated depreciation	(2.49)	(0.32)
Total	**125.43**	**0.69**
Net Deferred tax asset/(liability) recognised	**-**	**0.69**

3. Expenditure attributable to assets pending capitalisation:

The Company has incurred certain revenue expenses attributable to assets under construction, which will be capitalized along with the cost of fixed assets in future years. The details of such expenditure incurred are given below:

Particulars	For the period 1 April 2008 to 31 December 2008	For the year ended 31 March 2008
Personnel cost:		
Salary, wages and bonus	22.90	3.79
Staff welfare	1.28	0.88
Sub total - (A)	**24.18**	**4.67**
Operating expenses pending capitalisation:		
Travel and conveyance	47.49	89.98
Communication expenses	1.38	1.30
Legal and professional	19.86	11.15
Rent	11.86	-
Power and fuel	1.78	-
Repair and maintenance – vehicle	6.93	-
Repair and maintenance – others	0.04	-
Miscellaneous expenses	0.05	-
Membership and subscription	-	0.49
Sub total –(B)	**89.39**	**102.92**
Borrowing cost (net of incomes from fixed deposits out of borrowed funds):		
Debt syndication fees	384.27	-
Upfront fees	131.68	-
Interest on term loan	359.56	-
Other finance charges	41.93	-
	917.44	-
Less: Interest income on fixed deposits	(10.39)	-
Sub total – (C)	**907.05**	**-**
Total amount (A)+(B)+(C)	**1,020.62**	**107.59**
Add: Opening balance	107.59	-
Balance to be carried forward	**1,128.21**	**107.59**

4. Legal and professional expenses include auditors' remuneration (excluding service tax)

Particulars	For the period 1 April 2008 to 31 December 2008	For the year ended 31 March 2008
Statutory audit	-	2.75
Tax audit	8.50	-
Total	**8.50**	**2.75**

5. CIF value of imports

Particulars	For the period 1 April 2008 to 31 December 2008	For the year ended 31 March 2008
Raw material (in transit)	34.81	-
Capital goods	22,062.84	-
Total	**22,097.65**	**-**

6. Expenditure incurred in foreign currency

Particulars	For the period 1 April 2008 to 31 December 2008	For the year ended 31 March 2008
Travelling and conveyance	46.04	76.00
Advertisement and sales promotion	34.12	-
Legal and professional	26.07	0.46
Fees and subscription	2.36	-
Others	0.05	-

Total	108.64	76.46

7. **Capital commitments:**

Particulars	As at 31 December 2008	As at 31 March 2008
Estimated amount of contracts remaining to be executed on capital account (net of advances)	18,696.35	21,072.60
Total	**18,696.35**	**21,072.60**

8. The Company's foreign currency exposure on account of payables not hedged as at 31 December 2008 and 31 March 2008 is as follows:

Particulars	Amount in foreign currency`	Amount in rupees Lakh
Euro in Lakh	49.63 (-)	3,478.94 (-)

Previous year figures are given in brackets

9. **Operating lease**

a) Assets taken on lease

The Company has taken office premises under cancellable operating lease arrangements. Rent expenses for operating leases included in the income statements for the period 1 April 2008 to 31 December 2008 is Rs. 14.10 (previous year Rs. 3.00).

b) Assets given on lease

Refer note 1(c) of this schedule.

10. The Company had sought confirmation from its vendors on their status under Micro, Small and Medium Enterprises Development Act, 2006. Based on the confirmations received till date, there are no amounts due to any micro or small enterprise under the Micro, Small and Medium Enterprises Development Act, 2006.

11. **Earnings per share**

The computation of basic loss per share is set out below:

Particulars	For the period 1 April 2008 to 31 December 2008	For the year ended 31 March 2008
Net loss for the period/year attributable to equity shareholders	(486.05)	(54.15)
Number of Equity Shares in the beginning	280.00	0.50
Weighted average of 27,950,000 equity shares, fully paid up, issued on 20 May 08.	-	5.27
Weighted average of 57,000,000 equity shares, fully paid up, issued on 20 May 08.	468.44	-
Weighted average of 50,000,000 equity shares, fully paid up, issued on 25 August 08.	234.55	-
Weighted average of 50,000,000 equity shares, fully paid up, issued on 4 December 08.	50.91	-
Weighted average of 15,000,000 equity shares, Rs. 3 paid up, issued on 26 December 2008	0.16	-
Weighted average number of equity shares for calculation of basic loss per share	1,034.05	5.77
Basic/diluted loss per share of face value of Rs. 10 (in Rs.)	**(0.47)**	**(9.39)**

12. Related Party:

a) Parties where control exists:

i) Key managerial personnel controlling the Company	**Mr. H.R. Gupta**
	Mr. B.K. Gupta
b) Other related party relationships where transactions have taken place during current year:	
i) Relatives of key managerial personnel controlling the Company	**Ms. Priya Desh Gupta**
ii) Enterprise over which key managerial personnel controlling the Company have significant influence	**Robin Solar Private Limited (formerly known as Robin Garments Private Limited) ("Robin") (w.e.f 15 January 2008)**
iii) Entity in respect of which the Company is an associate	**Greenlite Lighting Corporation, Canada (w.e.f. 25 August 2008)**
c) Following are the details of related party transactions:	

Transactions during the period/year	For the period 1 April 2008 to 31 December 2008	For the year ended 31 March 2008
Paid up capital of shares allotted		
- Mr. H. R. Gupta	495.35	2,530.00
- Mr. B. K. Gupta	523.50	265.00
- Greenlite Lighting Corporation, Canada	701.14	-
Rent paid to	-	-
- Ms. Priya Desh Gupta	2.25	3.00
Advance against project as per the joint business development agreement: Robin (for the period 1 April 2008 to 31 December 2008)	3245.48	497.05
Expenses reimbursed to: Robin (for the period 1 April 2008 to 31 December 2008)	39.06	-
Expenses reimbursed by: Robin (for the period 1 April 2008 to 31 December 2008)	357.66	-
Guarantees given by on behalf of the Company: Robin (for the period 1 April 2008 to 31 December 2008)	24588.90	-
Outstanding balances as at the period/year end		
	As at 31 December 2008	**As at 31 March 2008**
Advances recoverable:		
Robin	4,112.14 *	548.05
Sundry creditor:		
H.R. Gupta	1.94	43.60

* includes Rs. 51.00 paid prior to 15 January 2008, when Robin was not a related party.

13. Employee benefit

Disclosure in respect of employee benefits under Accounting Standard 15 "Employee Benefits" prescribed by the Companies (Accounting Standards) Rules, 2006:

a) Post employment benefit plan in the form of gratuity:

The Company has a post employment benefit in the form of gratuity wherein the last drawn salary plus dearness allowance is used to compute gratuity as per the provisions of the Payment of Gratuity Act, 1972. A period of 5 years has been considered as vesting and the maximum benefit that can be availed under the scheme is Rs. 3.50

Particulars	As at 31 December 2008
Changes in the present value of defined benefit obligation	
Projected benefit obligation at the beginning of the period	-
Interest cost	-
Current service cost	-
Benefits paid	-
Actuarial loss	-
Projected benefit obligation at the end of the period	**1.00**
	-
Amount recognized in the Balance Sheet	-
Projected benefit obligation at the end of the period	1.00
Fair value of the plan assets in the end of the period	-
Funded status of the plans liabilities	-
Present value of unfunded obligation	1.00
Liability recognized in the Balance Sheet	**1.00**
	-
Gratuity cost for the period	-
Current service cost	1.00
Interest cost	-
Expected return on plan assets	-
Net actuarial loss recognized in the period	-
	-
Net gratuity cost	**1.00**
Economic assumptions	
Discount rate	**5.70%**
Long term rate of compensation increase	**6.00%**
Demographic assumptions	
Retirement age	**60years**
Mortality table	**LIC (1994-96) mortality tables.**
Withdrawal Rates	
Ages (years)	
21-30	5.00%
31-40	3.00%
41-59	2.00%

During the previous year ended 31 March 2008, the Company was in the process of formulating benefit plans for its employees and had not accrued for any expense in respect of liability for employee retirement benefits. The management believed that the liability as on 31 March 2008, in respect of such benefits, if accrued would not be significant.

14. Details of investments purchased and sold during the period:

	As at 1 April 2008	During the period		As at 31 December 2008
Particulars	**Opening balance (units)**	**Acquired (units)**	**Sold (units)**	**Closing balance (units)**
145D SBI Debt Fund Series	(-)	(509,541)	(509,541)	(-)
L147ID SBI-SHF-Liquid Plus – Institutional Plan – Daily Dividend	(-)	(506,278)	(506,278)	(-)
S258 Sundaram BNP Paribas Liquid Plus Retail Dividend Daily	(-)	(252,745)	(252,745)	(-)

Previous year figures have been given in brackets.

15. The Company changed its name from Phoenix Solar India Limited with effect from 18 December 2008 to Indosolar Limited.

16. Traveling and advertisement and sales promotion expenses includes amount aggregating Rs. 64.64 for which the supporting documents have not been retained by the Company. However, these expenses have been incurred for business purposes and are adequately authorised by the management.

17. Previous year figures have been regrouped / recast wherever necessary to conform to current period's classification. Current period figures are not comparable with previous year figures as the current period figures are for nine months.

For and on behalf of the Board of Directors of
Indosolar Limited (formerly known as Phoenix Solar India Limited)

HULAS RAHUL GUPTA	**ANAND KUMAR AGARWAL**	**ATUL MITTAL**
Managing Director	*Director*	*Company Secretary*
Place: Greater Noida	Place: Greater Noida	Place: Greater Noida
Date: 29-09-09	Date: 29-09-09	Date: 29-09-09

Phoenix Solar India Limited

(formerly known as Phoenix Tri - Continental Hotels Limited)

Balance Sheet as at 31 March 2008

(All amounts in Indian Rupees Lakh)

	Schedule	As at 31 March 2008	As at 31 March 2007
SOURCES OF FUNDS			
Shareholders' funds			
Share capital	1	2,800.00	5.00
Share application money pending allotment		17.00	-
Unsecured Loans	2	-	21.82
		2,817.00	**26.82**
APPLICATION OF FUNDS			
Fixed assets	3		
Gross block		111.53	1.57
Less: Accumulated depreciation		11.48	-
Net block		100.05	1.57
		-	-
Capital work in progress		2,739.02	-
		2,839.07	1.57
Deferred tax asset	12(3)	0.69	-
Current assets, loans and advances			
Cash and bank balances	4	50.44	6.30
Loans and advances	5	5.43	4.85
		55.87	11.15
Less:			
Current liabilities and provisions	6		
Current liabilities		143.37	2.53
Provisions		4.25	0.20
		147.62	2.73
Net current assets/(liabilities)		(91.75)	8.41
Miscellaneous expenditure			-
(to the extent not written off or adjusted)	7		2.00
			-
Profit and Loss Account		68.99	14.84
		2,817.00	**26.82**
Significant accounting policies	11		
Notes to the accounts	12		

The schedules referred to above form an integral part of accounts

As per our report attached

For **B S R and Associates**
Chartered Accountants

For and on behalf of the Board of
Phoenix Solar India Limited

Akhil Bansal
Partner
Membership No.090906

Place: Gurgaon
Date: 08.09.2008

Hulas Rahul Gupta
Director

Place: New Delhi
Date: 08.09.2008

Anand Kumar Agarwal
Director

Place: New Delhi
Date: 08.09.2008

Phoenix Solar India Limited

(formerly known as Phoenix Tri - Continental Hotels Limited)

Profit and Loss Account for the year ended 31 March 2008

(All amounts in Indian Rupees Lakh)

	Schedule	For the year ended 31 March 2008	For the year ended 31 March 2007
INCOME			
Revenue from services rendered		250.00	
Other income	8	15.08	
		265.08	**-**
EXPENDITURE			
Personnel costs	9	18.39	1.98
Administrative selling and other expenses	10	258.58	12.66
Depreciation	3	15.03	-
Preliminary expenses written off	7	2.00	-
		294.00	**14.64**
Loss before tax		**(28.92)**	**(14.64)**
Provision for tax:		-	-
- Current tax		13.41	-
- Deferred tax credit		(0.69)	-
- Wealth tax		0.80	-
- Fringe benefit tax		11.71	0.20
Loss after tax		**(54.15)**	**(14.84)**
Profit / (loss) brought forward		**(14.84)**	**-**
Loss to be carried forward to the Balance Sheet		**(68.99)**	**(14.84)**
Basic loss per share (in rupees)	12(2)	**(9.39)**	**(29.68)**
Significant accounting policies	11		
Notes to the accounts	12		

The Schedules referred to above form an integral part of the accounts.

As per our report attached

For **B S R and Associates**
Chartered Accountants

For and on behalf of the Board of
Phoenix Solar India Limited

Akhil Bansal
Partner
Membership No.090906

Place: Gurgaon
Date: 08.09.2008

Hulas Rahul Gupta
Director

Place: New Delhi
Date: 08.09.2008

Anand Kumar Agarwal
Director

Place: New Delhi
Date: 08.09.2008

Phoenix Solar India Limited (formerly known as Phoenix Tri - Continental Hotels Limited)

Schedules forming part of the accounts

(All amounts in Indian rupees Lakh)

Schedule – 12: Notes to the accounts

1. **Expenditure attributable to assets pending capitalisation:**

During the current year, the Company has incurred certain revenue expenses attributable to assets under construction, which will be capitalized along with the cost of fixed assets in future years. The details of such expenditure incurred are given below:

Particulars	As at 31 March 2008	As at 31 March 2007
Salary, wages and bonus	3.79	-
Staff welfare	0.88	-
Travel and conveyance	89.98	-
Communication expenses	1.30	-
Legal and professional	11.15	-
Membership and subscription	0.49	-
	-	**-**
Balance to be carried forward	**107.59**	-

2. **Earnings per share**

The computation of basic earnings /(loss) per share is set out below:

	Year ended 31 March 2008	Year ended 31 March 2007
Net loss for the year attributable to equity shareholders in rupees	(54.15)	(14.84)
Number of equity shares at the beginning of the year	50,000	50,000
Number of equity shares issued on 31 March 2008	2,79,50,000	-
Number of shares outstanding at the end of the year	2,80,00,000	50,000
Weighted average number of equity shares for calculation of basic loss per share	5,76,575	50,000
Loss per share of face value of Rs. 10 in rupees	**(9.39)**	**(29.68)**

3. **Deferred tax asset (net)**

	As at 31 Mar 2008	As at 31 Mar 2007
Components of deferred tax asset		
Disallowance under section 43B of the Income Tax Act, 1961	0.46	-
Disallowance under section 35D of the Income Tax Act, 1961	0.54	-
	1.00	
Components of deferred tax liability	-	
On account of accelerated depreciation	(0.32)	-
	-	
Total	**0.68**	**-**

4. **Legal and professional expenses include auditors' remuneration (including service tax)**

	Year ended 31 March 2008	Year ended 31 March 2007
Statutory audit	3.09	0.20*
	-	**-**
Total	**3.09**	**0.20**

* paid to erstwhile auditors including service tax

5. **Expenditure incurred in foreign currency**

	Year ended 31 March 2008	Year ended 31 March 2007
Travelling and conveyance	76.00	-
Others	0.46	-
Total	**76.46**	-

6. **Leases taken by the Company**

The Company has taken office premises under cancellable operating lease arrangements. Rent expenses for operating leases included in the income statements for the year ended 31 March 2008 is Rs. 3.00 (previous year Rs. Nil).

7. The Company had sought confirmation from its vendors on their status under Micro, Small and Medium Enterprises Development Act, 2006. Based on the confirmations received till date, there are no amounts due to any micro or small enterprise under the Micro, Small and Medium Enterprises Development Act, 2006.

8. The Company is a Small and Medium Sized Company (SMC) as defined in the General Instructions in respect of Accounting Standards notified under the Companies Act, 1956. Accordingly, the Company has complied with the Accounting Standards as applicable to a Small and Medium Sized Company.

9. **Capital commitments:**

Particulars	For the year ended 31 March 2008	For the year ended 31 March 2007
Estimated amount of contracts remaining to be executed on capital account (net of advances)	21,072.60	-
Total	**21,072.60**	

10. **Investments**

	As at 1 April 2007	During the year		As at 31 Mar 2008
Particulars	**Opening balance (units)**	**Acquired (units)**	**Sold (units)**	**Closing balance (units)**
145D SBI Debt Fund Series	-	5,09,541	5,09,541	-
L147ID SBI-SHF-Liquid Plus – Institutional Plan – Daily Dividend	-	5,06,278	5,06,278	-
S258 Sundaram BNP Paribas Liquid Plus Retail Dividend Daily	-	2,52,745	2,52,745	-

11. **Related Party:**

Parties where control exists:

Individuals having substantial interest in the Company — Mr. H.R. Gupta, Mr. B.K. Gupta

Relatives of individuals having substantial interest in the Company — Ms. Priya Desh Gupta, Mrs. Abha Gupta

Transactions during the year	For the year ended 31 March 2008
Shares allotted	
- Mr. H. R. Gupta	2,530.00
- Mr. B. K. Gupta	265.00
Rent paid to	

Transactions during the year	For the year ended 31 March 2008
- Ms. Priya Desh Gupta	3.00

Note: During the year, the Company has adopted Accounting Standard – 18 on Related Party Disclosures, to comply with the requirements prescribed in The Companies (Accounting Standard) Rules, 2006. This standard is applicable from the current year and hence, only current year figures have been disclosed.

12. The Company issued 27,500,000 equity shares of Rs. 10 each at par on 31 March 2008, that resulted in the paid capital up of the Company exceeding the stipulated limit for paid up capital, under the provisions of Section 269, Section 383A and Section 292A of the Companies Act, 1956 which requires the mandatory appointment of a Manager or Managing Director/Whole time Director, Whole-time Secretary and Audit Committee respectively. The requirement as mentioned above arose only on 31 March 2008 as the shares were allotted on that date. The Company has subsequently, appointed a Managing Director/Whole time Director and a Whole time Secretary vide board resolution dated 2 July 2008 and 25 August 2008 respectively. The Company is in the process of forming an audit committee as required under the provisions of the respective section.

13. During the year, the Company did not have the minimum employees as required under the provisions of Provident Fund Act and Employee State Insurance Act, hence it is not liable to make contributions under the above mentioned acts. Further, the Company is in the process of formulating benefit plans for its employees and has not accrued for any expense in respect of its liability for retirement benefits. The management believes that the liability as on 31 March 2008, in respect of such benefits, if accrued would not be significant.

14. During the year, the Company entered into a joint business development arrangement with Robin Garments Private Limited (Robin), wherein the Company has undertaken to jointly develop the land owned by Robin for the purpose of manufacture of solar cells. The Company has paid advance of Rs. 2344.44 and Rs. 287.00 against development of land and setting up of manufacturing facility, respectively.

15. The Company has changed its name from Phoenix Tri - Continental Hotels Limited with effect from1 January 2008 and is now known as Phoenix Solar India Limited, to bring it in line with the change in the main object of the Company.

16. Previous year figures have been regrouped / recast wherever necessary to conform to current year's classification.

For and on behalf of the Board of Phoenix Solar India Limited

Hulas Rahul Gupta	**Anand Kumar Agarwal**
Director	Director

Place: New Delhi
Date: 08.09.2008

PHOENIX TRI-CONTINENTAL HOTELS LIMITED

BALANCE SHEET AS AT 31st MARCH, 2007

PARTICULARS	SCHEDULE	As At 31.03.2007 Rs. in Lacs	As At 31.03.2006 Rs. in Lacs
SOURCES OF FUNDS			
SHARE CAPITAL	1	5.00	5.00
UNSECURED LOANS	2	21.82	0.00
	TOTAL	**26.82**	**5.00**
APPLICATION OF FUNDS			
FIXED ASSETS			
Gross Block	3	1.57	0.00
Less: Depreciation		0.00	0.00
Net Block		1.57	0.00
CURRENT ASSETS,LOANS AND ADVANCES			
(i) Cash and Bank Balances	4	6.30	3.40
(ii) Other Current Assts	5	4.85	0.00
	TOTAL	11.15	3.40
CURRENT LIABILITIES AND PROVISIONS	6		
CURRENT LIABILITIES		2.53	0.40
PROVISIONS		0.20	0.00
NET CURRENT ASSETS		8.42	3.00
MISCELLANEOUS EXPENDITURE:			2.00
(To the extent not w/off or adjusted)			
PRELIMINRY EXPENSES		2.00	0.00
PROFIT & LOSS ACCOUNT		14.83	0.00
	TOTAL	**26.82**	**5.00**
		0.00	0.00
NOTES FORMING PART OF ACCOUNTS	8		

As per our report of even date

For **ARUN K. GUPTA & ASSOCIATES**
Chartered Accountants

Ashok Agrawal
Partner
M.NO.501820
Place: Delhi
Date : 20.08.2007

Sd/-
HULAS RAHUL GUPTA
Director

Sd/-
ANAND AGARWAL
Director

PHOENIX TRI-CONTINENTAL HOTELS LIMITED

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED31st MARCH, 2007

P A R T I C U L A R S	SCHEDULE	Year Ended 31.03.2007 Rs. in Lacs	Year Ended 31.03.2006 Rs. in Lacs
INCOME			
PROFESSIONAL RECEIPT			
OTHER INCOME		0.00	0.00
	TOTAL	0.00	0.00
EXPENDITURE			
ADMN. & SELLING EXPENSES	7	14.64	0.00
	TOTAL	14.64	0.00
PROFIT BEFORE TAX		(14.64)	0.00
PROVISION FOR			
CURRENT TAX		0.00	0.00
FRINGE BENEFIT TAX		0.20	0.00
PROFIT AFTER TAX		(14.84)	0.00
PROFIT BROUGHT FORWARD		0.00	0.00
AMOUNT AVAILABLE FOR APPROPRIATION		(14.84)	0.00
BALANCE CARRIED TO BALANCE SHEET		(14.84)	0.00
EARNING PER SHARE (BASIC/DILUTED) (IN RS.)		(29.68)	0.00
(FACE VALUE RS. 10/- PER SHARE)			
NOTES FORMING PART OF ACCOUNTS	8		

s per our report of even date
For **ARUN K. GUPTA & ASSOCIATES**
Chartered Accountants

Ashok Agrawal
Partner
M.NO.501820
Place: Delhi
Date : 20.08.2007

Sd/-
HULAS RAHUL GUPTA
Director

Sd/-
ANAND AGARWAL
Director

SCHEDULE-8

NOTES TO ACCOUNTS

1. As per the information available with the company with regard to dues to the small scale industries, there has been no dues to SSI Units to whom the company owes any sum for more than 30 days.

2. The identification of the Micro, Small and medium enterprises in terms of the Micro, Small and medium enterprises development Act 2006 enacted w. e. f 16/06/2006 could not be made as the company does not have any information in its possession. Therefore the information regarding principal amount and interest due, interest paid and interest payable etc. could not be ascertained and disclosed. However as per the information with the company there are no dues.

3. Contingent liabilities not provided for: Rs. Nil (Prev. year Nil)

4. Outstanding Commitment of capital contracts Rs. Nil (P.Y. Nil) net of advances.

5. Auditor's Remuneration:

Particulars	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
Statutory Auditor		
a) As Auditor's	0.14	--
b) Other Capacity		
- Tax Audit	--	--
- Certification & other matters	0.06	--
- Out of Pocket Expenses (Inc. in traveling exp.)	-	--

6. This is being first Profit & Loss accounts. Previous year figures in the Profit & Loss account and schedules thereto and notes of accounts have not been given.

7. Additional information pursuant to the provisions of para 3,4C & 4D of Part II of Schedule VI of the Companies Act,1956 are not applicable.

8. SEGMENT REPORTING :

The company operates into single business segments, namely hotel industries. Therefore, the information pursuant to Accounting Standard – 17 Segment Reporting is not applicable.

9. There is no deferred tax liabilities/assets.

10. EARNING PER SHARE(E P S)

S. No.	Particulars	Current Year (Rs. in Lacs)	Previous Year (Rs. in Lacs)
a)	Net profit after tax available for equity share holders	(14.90)	-
b)	Weighted average number of shares	50000	-
c)	Basic /Diluted Earning per share(Rs) (Nominal value Rs. 10/- per share)	(29.80)	-

RELATED PARTY DISCLOSURE

List of related parties with whom transactions have been taken place during the year are as under :

(a)

Nature of Relationship	Name of Person
Holding Company	Phoenix Lamps Limited
Owning substantial interest in the voting	Mr. Hulas Rahul Gupta

Power of the company

		Transactions during the year	Outstanding Balance as at 31.3.2007
		(Rs. In Lacs)	
(b)	Nature of transactions		
	i) Equity Contribution	Nil	nil
		(5.00)	(-)
	ii) Unsecured loans taken	21.82	21.82
		(--)	(--)

(Phoenix Lamps Ltd. Ceased to be holding company w.e.f. 12th June, 2006)

(Previous year figures are given in brackets)

No amount has been written off or provided for in respect of transactions with the related parties.

As per our report of even date
For **ARUN K. GUPTA & ASSOCIATES**
Chartered Accountants

(ASHOK AGRAWAL)
Partner
M.No. : 501820

Hulas Rahul Gupta
Director

Anand Kumar Agarwal
Director

Place : New Delhi
Dated : 20.08.2007

PHOENIX TRI CONTINENTAL HOTELS LTD.

BALANCE SHEET AS ON 31 ST MARCH 2006

(Figure in Rs. Lacs)

PARTICULARS	SCHEDULE	Amount	AS ST 31/03/2006 Rs.
SOURCES OF FUNDS			
Share Capital	1		5.00
Total			**5.00**
APPLICATIONS OF FUNDS			
Current Assets, Loans & Advances			
Cash & Bank Balances			
Balance with schedule bank in current account		3.40	
Less : Current Liabilities & Provisions		0.40	
Sundry Creditors			
Net Current Assets			3.00
Miscellaneous Expenditure			
(to the extent not written off or adjusted)			
Preliminary Exp.			2.00
Total			**5.00**

NOTES FORMING PART OF ACCOUNTS 2
As per our report of even date
For ARUN K. GUPTA & ASSOCIATES
Chartered Accountants

SACHIN KUMAR
Partner
M.NO. 503204
Place : New Delhi
Date : 26.05.2006

Anand Kumar Agarwal
DIRECTOR

Hulas Rahul Gupta
DIRECTOR

PHOENIX TRI–CONTINENTAL HOTELS LTD.

SCHEDULE-2

1. NOTES TO ACCOUNTS

1. The accounts have been prepared for the period from 27th Feb. 06 (being the date of incorporation) to 31st March 06. As there are no operation during the period profit and loss account has not been prepared.
2. There are no dues to small scale industries.

3. RELATED PARTY DISCLOSURE

List of related parties with whom transactions have been taken place during the year are as under.

(a)	Nature of Relationship	Name of Person
	Holding Company	Phoenix Lamps Limited

a) Related Party Transactions

Nature of Transaction	Holding Company (Rs. In Lacs)
i) Equity Contribution	5.00
ii) Reimbursement of Preliminary Expenses	1.69
iii) Balance outstanding as at year end	NIL

iv) No amount have been written off or provided for in respect of transaction with the related parties.

4. This is being the first year of the company corresponding figures for the previous year could not be given.

5. Additional information pursuant to the provisions of para 3, 4C & 4D, of Part II of Schedule VI of the companies Act, 1956 are not applicable.

As per our report of event date
For ARUN GUPTA & ASSOCIATES
Chartered Accountants

Sachin Kumar
Partner
M.N. 503204

Place : Noida	A.K. AGARWAL	H.R. GUPTA
Date: 26.05.2006	DIRECTOR	DIRECTOR

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion is based on and should be read in conjunction with our financial statements for and each of the Fiscals 2007, 2008 and 2009 and 2010, including the schedules, annexure and notes thereto and the reports thereon. These financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI Regulations, as described in the report of our Auditors, which is included in this Red Herring Prospectus in the section titled "Financial Statements" on page F-1. These audited financial statements have been prepared on a basis that differs in certain material respects from generally accepted accounting principles in other jurisdictions, including IFRS.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors. Factors that might cause future results to differ significantly from those projected in the forward-looking statements include, but are not limited to, those discussed below and elsewhere in this document, particularly in the sections titled "Risk Factors" and "Our Business" on pages xi and 56, respectively.

Overview

We manufacture poly-crystalline solar photo-voltaic ("**SPV**") cells from silicon wafers utilizing crystalline silicon SPV cell technology for converting sunlight directly into electricity through a process known as the "photo-voltaic effect". We market and sell our products to primarily module manufacturers on a business-to-business ("**B2B**") platform, who in turn supply to the system integrators who install the systems for grid and off-grid (roof top) applications for use in the domestic market as well as markets in Europe, Spain, Japan, Asia, Canada and USA.

Our ability to procure poly-silicon wafers at low cost and expand our customer base is critical to our business. Economies of scale, ability to enhance operational and SPV cell efficiency and pricing strategy are the other fundamental enablers in our business.

We commenced work for setting up of our SPV cell manufacturing facility in Greater Noida in January 2008. We have established two SPV cell manufacturing lines having an aggregate annual manufacturing capacity of 160 MW. We commenced commercial production of SPV cells in July 2009 with one manufacturing line having an annual manufacturing capacity of 80 MW. The second manufacturing line having an equal capacity commenced commercial production in March 2010. In order to prepare for an increase in demand for SPV products in the future and to enhance scale to a competitive level, we plan to increase our annual manufacturing capacity to approximately 260 MW by October, 2011, with one additional manufacturing line of annual manufacturing capacity of 100 MW.

We use a fully automated horizontal in-line, state-of-the-art technology for manufacture of SPV cells which offer high average efficiency levels of up to 16.15%. We have entered into arrangements with Schmid Technology Systems GmbH ("**Schmid**"), one of the operators in SPV cell manufacturing technology and a vertically integrated player in the SPV cell industry, for delivery, installation and commissioning of the plant and machinery at our facility, on a turnkey basis. As part of our manufacturing capacity expansion plans, we propose to install 'selective emitter' technology in one of our SPV manufacturing lines to be commissioned by our turnkey provider, Schmid. 'Selective emitter' technology will give capability to produce improved SPV cells of higher average efficiency up to 17.20%. Our research and development team comprising three solar photo-voltaic and semi conductor researchers and scientists focuses on continually enhancing our SPV cell Conversion Efficiencies and improving our manufacturing operations.

Our management believes that it is preferable to follow a flexible mix vis-à-vis long term and spot market for procurement of silicon wafers, in conjunction with market trends. We are currently negotiating silicon supply contracts with certain suppliers to meet our current manufacturing capacity of 160 MW and sufficient inventory levels in the future, with prices linked to those prevailing in the spot market. Other raw materials such as chemicals, silver and aluminium pastes are also procured from various suppliers at the prevailing market prices.

Our Company is one of the few companies selected by the Government of India for grant of financial incentives under the "Special Incentive Package Scheme" of 2007 notified by the Government of India. We have been granted an in-principle approval on June 1, 2009 by Ministry of Communication and Information Technology, Government of India and have applied for formal approval on March 31, 2010. Our manufacturing facility at Greater Noida has been granted the status as an 'Export Oriented Unit' under the Foreign Trade Policy 2009-2014 of the Government of India pursuant to which we enjoy certain benefits, including free importability and entitlement to avail of certain direct and indirect tax exemptions.

Strengthening of our brand name and expansion of our customer base are integral parts of our sales and marketing strategy. We have associated with the Semiconductor Equipment and Materials International, USA, Indian Semiconductor Association and Solar Energy Society of India **("SESI").** One of our Promoters, Mr. Hulas Rahul Gupta, is convenor of the industry wing of SESI.

Our Promoters, Mr. Bhushan Kumar Gupta and Mr. Hulas Rahul Gupta, have a combination of managerial acumen as well as domestic and international experience of approximately 30 and 20 years, respectively, in manufacturing, marketing and customer relations.

Since the commencement of commercial production until July 31, 2010, we had sold 44.26 MW of SPV cells for Rs. 24,828,20 Lakh (including 0.52 MW of SPV modules for Rs. 529.15 Lakh). Our Orderbook is Rs. 1,01,190.02 Lakh as of July 31, 2010 with eleven customers from seven countries for delivery of 170.36 MW of SPV cells, based on conversion rate of 1€ = Rs. 60.53 and 1$ = Rs. 46.42 as on July 31, 2010. Out of the above mentioned Orderbook, orders for 30.58 MW resulting in an aggregate income of Rs. 17,075.82 Lakh have been executed by our Company until July 31, 2010. In Fiscal 2010, our total income was Rs. 13,147.85 Lakh. The total income from sale of SPV cells in Fiscal 2010 was Rs. 10,722.52 Lakh, constituting 81.55% of our total income.

Source: www.oanda.com

Basis of Presentation – Restructuring and non-comparability of our financial statements

We have recently undergone a restructuring exercise pursuant to which the erstwhile "Indosolar Limited" (the "**Transferor Company**") amalgamated into our Company. The High Court of Delhi by its order dated September 16, 2009 approved the scheme of amalgamation of the Transferor Company with our Company with effect from the appointed date i.e., January 1, 2009 (the "**Appointed Date**"). Subsequently, the said the scheme of amalgamation became effective on September 24, 2009.

Pursuant to the said restructuring exercise, all assets and liabilities of the Transferor Company were transferred to us on a going concern basis with effect from the Appointed Date. Further, all contracts, deeds, agreements, bonds, etc. to which Transferor Company was a party, stood transferred in favour of our Company. For details in relation to the restructuring exercise as well as history and track record of the Transferor Company, see the section titled "History and Certain Corporate Matters" on page 90.

Our historical financial statements for periods prior to Fiscal 2010 are of limited value to prospective investors in evaluating the prospects of our Company or deciding whether to purchase the Equity Shares, because we did not have any operations during such periods.

We commenced commercial production of SPV cells in July 2009 with one manufacturing line having an annual manufacturing capacity of 80 MW. The second manufacturing line having an equal capacity commenced commercial production in March 2010. We have a limited operating history from which you can evaluate our business and future prospects. The assets that we have been using in our business have been acquired with effect from the Appointed Date pursuant to the Scheme. Since we were a company with no material assets until the Appointed Date and no material business until July 2009, the financial information presented herein for periods prior to such dates will not be indicative of our results as an independent operating company.

In view of the above mentioned factors, no meaningful comparison can be made for the financial statements for the Fiscals 2007, 2008 and 2009 to those of Fiscal 2010 since we had no operations until July 2009.

This Red Herring Prospectus must be considered in light of the risks and uncertainties encountered by companies with a relatively short operating history, such as us. In addition to the other information contained in this Red Herring Prospectus, you should consider the information contained below in this section and some of the key factors that we expect will affect our reported results and our financial condition in the future, such as the macroeconomic factors discussed under the section titled "Industry Overview" on page 46 and the risks discussed under the section titled "Risk Factors" on page xi.

Significant Developments after March 31, 2010 that may affect our Future Results of Operations

Except as mentioned below, in the opinion of our Board, no circumstances have arisen since the date of the last financial statements as disclosed in this Red Herring Prospectus, which materially and adversely affect or are likely to affect, the trading and profitability of our Company, or the value of our assets or our ability to pay our liabilities within the next 12 months.

1. Receipt of confirmed orders for sale of SPV cells

During the month of April, we received a confirmed order for contract value of Rs. 21,306.56* Lakh from a German customer for delivery of 32 MW of SPV cells. However, the order has been put on hold due to changes in technical specification of the SPV cells to be delivered. The same is now subject to negotiation of commercial terms.

**based on conversion rate of € = Rs. 60.53 as on July 31, 2010. Source: www.oanda.com. The price of the SPV cells under the contract was fixed for the first year of delivery and the price for the subsequent years was to be be finalised during the preceding quarter of each of the subsequent years. However, the supply of SPV cells under the contract was fixed for the first and the subsequent years of delivery.*

2. Allotment of Equity Shares in favour of an affiliate of Schmid

Schmid Singapore Pte. Ltd., an affiliate of Schmid, infused an aggregate amount of Rs. 1,456.23 Lakh in our Company towards equity share capital. Consequently, pursuant to an agreement dated April 27, 2010, our Company issued and allotted 36,40,579 Equity Shares by way of preferential allotment on June 1, 2010 to Schmid Singapore Pte. Ltd. at a price of Rs. 40 per Equity Share. For details in relation to the said allotment of Equity Shares, see the section titled "Capital Structure" on page 19.

Principal Factors Affecting Our Results of Operations

The following discussion of factors affecting our results of operations relates to the principal factors that we believe will affect the results of our operations. For details in relation to factors affecting our results of operations and not mentioned herein, see the sections titled "Forward-Looking Statements" and "Risk Factors" on pages x and xi, respectively.

Availability and Price of Poly-silicon Wafers

Our total raw material costs constitute 88.88% of our manufacturing costs. Poly-silicon wafers are the most important raw materials for manufacturing SPV products. The availability of poly-silicon, an essential raw material for production of SPV cells, is uncertain, and its price is volatile.

In the past several years, there was an industry-wide shortage of poly-silicon due to the growing demand for solar power products and the continuing expansion of the semiconductor industry. In the future, there may be an industry-wide shortage of poly-silicon due to the growing demand for solar power products and the continuing expansion of the semiconductor industry. We may, from time to time, experience late delivery from suppliers and may have to purchase silicon raw materials at higher price or of lower quality which in turn may result in lower Conversion Efficiencies and reduced revenues per SPV cell.

We purchase poly-silicon wafers on a need basis via the spot market purchase mechanism and seek to source raw materials from diverse suppliers. There can be no assurance that our current procurement efforts will be successful in ensuring an adequate supply of silicon raw materials at viable prices to meet our SPV cell production requirements. If we are unable to meet customer demand for our products, or if our products are only available at a higher price because of a shortage of poly-silicon raw materials, we could lose customers, market share and revenue. We do not have a history of long-term relationships with poly-silicon wafer suppliers.

In late 2008 and 2009, newly available poly-silicon supply and slowed global solar power market growth have resulted in an excess supply of poly-silicon, which created a downward pressure on the price of poly-silicon. According to Solarbuzz, spot prices for solar grade poly-silicon decreased rapidly from $ 450-470 per kilogram to $ 150-130 per kilogram in the first quarter of 2009. By 2009 year end, most poly-silicon spot pricing had drifted into the $55-60 per kilogram range with the larger established suppliers being at the higher end. For further details, see the section titled "Industry Overview" on page 46.

There can be no assurance that the price of poly-silicon will continue to decline neither can there be an assurance that the price of poly-silicon wafers will not increase in the future or that we will be able to pass on such increases to our customers and clients. During times of scarcity, suppliers could substantially increase their prices. Additionally, the prices of our primary raw materials fluctuate based on a number of factors outside our influence, including general economic conditions, competition, commodity market fluctuations, the quality and availability of supply, currency fluctuations, consumer demand, manufacturing capacity, transportation costs and import duties.

It is important for our business and results of operations to achieve corresponding sales price increases, prevent sales price erosion on a corresponding reduction in raw material costs, or renegotiate favourable raw material supply contracts.

Average Selling Price of our SPV Cells

SPV cells are priced based on the number of watts of electricity they can generate or power output, which in-turn depends on their size and on their Conversion Efficiencies. Pricing per Watt of SPV cells is principally affected by manufacturing Costs per Watt, comprising of primarily the cost of silicon wafers, the overall market demand for SPV cells, and some other factors, such as the currency exchange and interest rates. Increased economies of scale and process technology advancements in the past resulted in a steady reduction in manufacturing costs and the Price per Watt of SPV cells. However, since fourth quarter of 2008, global solar power industry demand decreased precipitously due to the global economic downturn, and this decline in demand continued in the first half of 2009. During the same period, the global supply of solar power products begun to exceed the global demand due to the excess production capacity and the global economic downturn, which contributed to the decline in the price of SPV cells. In the first half of 2009, the Spanish market for solar power collapsed resulting in a huge impact on the industry. The inevitable consequence was factory-gate price mayhem as price of solar power products fell approximately 38%, compared to the average 2008 and 2009 levels. In the second half of 2009, prices eventually reached a point where demand took off helped by an improving global economy and the return of financing.

We determine the Price per Watt of SPV cells based on the prevailing market prices when we enter into sales contracts with our customers or when our customers place purchase orders with us, taking into account the size of the contract or the purchase order, the strength, history and prospects of our relationship with the customer, our costs and our capacity utilization. While fixing the selling price for SPV cells over a defined period may reduce our exposure to risks from decreases in SPV cell prices generally, but it may, on the other hand, also prevent us from benefiting from price increases. The average selling prices of our SPV cells since commercial production up to July 31, 2010 is approximately Rs. 55.56 per Watt.In case of shortage of SPV cells the selling price will increase, however, if demand for solar products declines and the oversupply of solar products situation exists, the average selling price of our SPV will be adversely affected.

Expansion of Manufacturing Capacity and Capacity Utilisation

Capacity and capacity utilization are key factors in growing our net revenue and gross profit. In order to accommodate the growing demand for our products, we plan to expand our manufacturing capacity. Increase in capacity has a significant effect on our financial results, both by allowing us to produce and sell more SPV cells and achieve higher net revenue, and by lowering our manufacturing costs as a result of increased economies of scale.

Due to current strong end-market demand for SPV products, we have been attempting to maximize the utilization of our available manufacturing capacity as it comes on-line, so as to allow us to spread our fixed costs over a higher production volume, thereby reducing our per unit and per MW fixed costs. As we build additional manufacturing capacities, our fixed costs will increase, and the overall utilization rate of our production facility could decline, which could negatively impact our gross profit. We intend to expand our existing manufacturing capacities to increase our productivity and output and to meet the growing demand for SPV cells. As part of our plans to expand our manufacturing capacity, we plan to increase our annual manufacturing capacity to approximately 260 MW by 2011, with Line 3 having annual manufacturing capacity of 100 MW. Our ability to establish additional manufacturing capacity and increase output is subject to significant uncertainties such as:

- the need to raise significant additional funds, which we may be unable to obtain on commercially viable terms or at all, to purchase raw materials and to build additional manufacturing facilities.

- we have applied, post grant of an in-principle approval, to the Ministry of Communication and Information Technology, GoI for grant of a formal approval to award financial incentives of 25.00% of the total cost as submitted to the GoI under the "Special Incentive Package Scheme" of 2007. There can be no assurance that we would be able to receive the full portion of such financial incentives if granted or at all;

- delays and cost overruns as a result of a number of factors, many of which are beyond our control, such as increases in the price of and shortage in the supply of poly-silicon and silicon-based raw materials and problems with equipment vendors.

Industry demand, government subsidies and economic incentives

Our business and revenue growth depends on SPV industry demand. There has been a significant growth of the SPV cell market in the past. According to Solarbuzz, the global SPV cell market increased from 1.46 GW in 2005 to 7.30 GW in 2009 in terms of total annual SPV installations. We believe that the near-term growth of the market for SPV products depends largely on the availability and size of government subsidies and economic incentives. We believe that countries such as Germany, Italy, Japan and USA have in the past, and continue to exhibit strong demand for products similar to those manufactured by us, as customers in such jurisdictions are strongly motivated by environmental concerns. India is the latest addition to the list of such countries.

We believe that Governments in such countries will continue to support through incentives such as "feed-in tariffs", "green certificates", capital cost rebates, tax credits, net metering and other incentives to end-users, distributors, system integrators and manufacturers of solar power products, including SPV products, in furtherance of their efforts to achieve 'grid parity' and in order to promote the use of solar energy in on-grid applications and to reduce dependence on other forms of energy. There are certain proposals in relation to promotion of domestic content in the implementation of the JNNSM program which mandate that for Phase I of the JNNSM, all deployment in grid connected solar power be done only through SPV cells and modules manufactured in India. Such initiatives have the potential to create demand for SPV cells manufactured by us. Such initiatives have the potential to create demand for SPV cells manufactured by us. Political or market changes in such jurisdictions could result in significant reductions or eliminations of subsidies or economic incentives, such as a more accelerated reduction of 'feed-in tariffs' than as planned according to the current schedule. Reductions in, or eliminations of, subsidies and economic incentives for on-grid solar energy applications could result in decreased demand for our products. For further details in this regard, see the section titled "Industry Overview" on page 46.

Availability of credit for end-consumers

The cost of solar power systems and modules is high and requires easy availability of low-cost credit for the end-consumers. An unfavorable credit environment, which affects the ability of sponsors to obtain financing for their projects, may also contribute to the slowdown of large solar project market segments. Our business is therefore affected by domestic and international economic conditions, including rates of economic growth and the impact that such economic conditions have on consumer spending. Economic pressure and dampened consumer sentiment has adversely affected the solar power industry in the past. The risks associated with availability of credit for the end-consumers are more acute during periods of economic slowdown or recession because such periods are accompanied by decreased appetite for credit risk and low levels of liquidity. These macroeconomic factors may result in variation in demand for our solar power products, as some of our customers may cancel or delay their orders for our products.

Our ability to meet our capital requirements

SPV cell manufacturing business is typically capital intensive, requiring high levels of equity and debt financing. Our business also requires a significant amount of working capital. We grant our large customers credit terms, according to our current credit policy. Our working capital requirements may increase if credit period against sales is increased or there is a requirement to pay higher price for raw material or to pay excessive advances for procurement of raw materials. We may provide performance guarantees in favour of some of our customers to secure obligations under our contracts. In addition, letters of credit are often required to satisfy payment obligations to suppliers. All of these factors may result in increases in our short-term borrowings. In the event we are required to repay any working capital facilities upon receipt of a demand from any lender, we may be unable to satisfy our working capital requirements.

The ability of our Company to continue to arrange for financing on commercially acceptable terms is dependent on numerous factors, including general economic and capital market conditions, availability of credit from banks and financial institutions, investor confidence and other factors which may be outside the control of our Company. There can be no assurance that our Company will be able to arrange the required financing in the future. Also, we may not be able to raise future debt at the same cost as our existing debt and on similar terms and conditions. If we are unable to provide sufficient collateral to secure letters of credit or performance guarantees, our ability to enter into new sale contracts or obtain adequate supplies could be limited.

Changes in tax laws

We are entitled to avail of certain direct tax exemptions or reimbursements on account of our manufacturing facility at Greater Noida being granted the status as a 100.00% 'Export Oriented Unit' ("**EOU**") under the Foreign Trade Policy 2009-2014 of the Government of India. Such benefits are available under Section 10B of the IT Act which provide for deduction in respect of profits and gains derived by an EOU, subject to prescribed conditions for a period of 10 consecutive assessment years from the year in which the EOU begins to manufacture or produce. For further details in relation to the nature of benefits enjoyed by an EOU, see the section titled "Statement of Tax Benefits" on page 41. Our profitability will be affected to the extent that such benefits shall not be available beyond the period currently contemplated in the relevant notifications/ circulars. Our profitability may be further affected in the future if any of the above mentioned benefits are reduced or withdrawn prior to the respective periods mentioned therein. Any change in Indian tax regulations or policy may result in us losing such benefits and our business, financial condition and results of operations may be adversely affected as a result.

Rapid technological changes

The market for SPV cells is characterized by rapidly changing technology. There is no assurance that we will be able to foresee such changes accurately or complete development of new products and/or technologies in time. Further, there is no assurance that we will be able to incur the required capital expenditure. Any of the competing technologies could achieve manufacturing costs less than the manufacturing costs expected to be achieved by the SPV cells being developed by us. Other materials could prove more advantageous for the commercialization of solar power products. New products and technologies may not be developed and/or deployed according to expected schedules or may not achieve commercial acceptance or be cost effective. Failure to achieve commercial acceptance of products offered by us could result in a reduction in profitability. Advancement in technology may require us to make additional capital expenditure to upgrade our manufacturing facilities.

Increases in interest rates

We do not currently enter into any swap or interest rate hedging transactions in connection with our loan agreements. Any increase in interest expense due to factors beyond our control, such as governmental, monetary and tax policies and domestic and international economic and political conditions, may affect on our business prospects, financial condition and results of operations.

Currency exchange rate fluctuations

We have adopted the Indian Rupee as our reporting currency. Conducting business in currencies other than the Indian Rupee subjects us to fluctuations in currency exchange rates. Since we intend to conduct and expand most of our business overseas, it will increase our exposure to the risk of currency fluctuations in foreign jurisdictions. To the extent these currencies depreciate against the Indian Rupee, it would decrease our income reported in the Indian Rupee. The exchange rate between the Indian Rupee and the other foreign currencies such as the Euro and U.S. Dollar has changed substantially in recent years and may continue to fluctuate significantly in the future.

Significant Accounting Policies to the Financial Statements

Our financial statements have been prepared in accordance with Indian GAAP. Our significant accounting policies are set forth in Annexure IV to our financial statements included in the Auditors' Report as part of the section titled "Financial Statements" on page F-1. Indian GAAP requires that we adopt accounting policies and make estimates that our directors believe are most appropriate in the circumstances for the purposes of giving a true and fair view of our results of operations and the understanding of our financial condition and results of operations. The impact and any associated risks related to these policies on our business operations is discussed throughout the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" where such policies affect our reported financial results. The preparation of our financial statements requires us to make difficult, complex and subjective judgments in selecting the appropriate estimates and assumptions that affect the amounts reported in our financial statements. By their nature, these judgments are subject to an inherent degree of uncertainty. These judgments are based on our historical experience, terms of existing contracts, our observance of trends in the industry, information provided by our customers and information available from other outside sources, as appropriate. There can be no assurance that our judgments will prove correct or that actual results reported in future periods will not differ from our expectations reflected in our accounting treatment of certain items.

While we believe that all aspects of our financial statements should be studied and understood in assessing our current and expected financial condition and results, we believe that the following critical accounting policies warrant additional attention:

- **Revenue recognition (as per Accounting Standard – 9 on revenue recognition)**

Sale of goods

Revenue from sale of goods is recognised when significant risks and rewards of ownership are transferred to the customers.

Interest income

Interest income is recognized using the time proportionate method, based on interest rates implicit in the transaction.

- **Inventories (as per Accounting Standard – 2 on valuation of inventories)**

Raw materials and finished goods are valued at the lower of cost and net realisable value. The cost of purchase consists of the purchase price including duties and taxes other than those subsequently recoverable by the enterprise from the taxing authorities, freight inwards and other expenditure directly attributable for its acquisition.

Cost is determined on the basis of first-in first-out method. In respect of finished goods, cost includes appropriate share of manufacturing overheads, wherever applicable.

Obsolete and slow moving inventories are identified at the time of physical verification of inventories and, where necessary, a provision for such inventories is recognised or the same is written-off.

Stock of scrap and waste is valued at estimated realisable value. Consumable stores are charged to revenue at the point of purchase.

Machinery spares are charged to Profit and Loss Account as and when consumed.

- **Fixed assets (as per Accounting Standard – 10 on accounting for fixed assets)**

Fixed assets are stated at cost less accumulated depreciation. Cost of acquisition is inclusive of freight, duties, taxes and other incidental costs related to acquisition and installation. In respect of fixed assets constructed, costs comprises costs of construction that relate directly to the specific asset and administration and other general overhead expenses that are directly attributable to the construction activity and can be allocated to the specific asset.

Cost of assets not ready for use, advances paid towards acquisition of fixed assets and administration and other general overhead expenses that are directly attributable to the construction activity of specific asset until commissioning of such assets, are disclosed as Capital Work in Progress.

- **Foreign currency transactions (as per Accounting Standard – 11 on the effects of changes in foreign exchange rates)**

Foreign exchange transactions are recorded at the exchange rates prevailing at the date of transaction. Realised gains and losses on foreign exchange transactions during the year are recognised in the Profit and Loss Account. Monetary assets and monetary liabilities that are determined in foreign currency are translated at the exchange rate prevalent at the date of balance sheet. The resulting difference is recorded in the Profit and Loss Account.

The Company enters into forward exchange contracts to hedge its certain foreign currency denominated assets and liabilities. In respect of forward contracts which are covered under Accounting Standard (AS) 11, 'Effect of Changes in Foreign Exchange Rates', the difference between spot rate and forward rate on the date the forward exchange contract is entered into, is amortized over the tenure of the contract. The foreign currency receivable or payable arising under the forward contract is revalued using the closing rate, and any resultant gain or loss is taken to the Profit and Loss Account. In respect of forward contract taken for future forecasted transactions and which are not covered by AS 11, pursuant to the announcement on "Accounting for Derivatives" made by Institute of Chartered Accountants of India ('ICAI') on 27 March 2008, such forward contracts are marked to market and provision for loss, if required are recognized in Profit and Loss Account. However, gain on account of marked to market of forward contracts taken for future forecasted transactions are ignored.

- **Borrowing costs (as per Accounting Standard – 16 on borrowing costs)**

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalized. Other borrowing costs are recognized as expenses in the period in which they are incurred. In determining the amount of borrowing costs eligible for capitalization during a period, any income earned on the temporary investment of those borrowings is deducted from the borrowing costs incurred.

Changes in Accounting Policies in the last three years

Following are the significant changes in accounting policies of our Company in the last three years:

- *Capitalisation and amortisation of leasehold land*

The Company was allotted leasehold land and the certificate of possession was issued on November 21, 2005 for a period of 90 years, under a deferred payment scheme. In accordance with the provisions of Accounting Standard (AS) 10 on 'Accounting for Fixed assets' as prescribed by the Institute of Chartered Accountants of India and the generally accepted accounting principles, the land should have been capitalised with the total consideration of lease premium payable under the scheme in the financial year ended 31 March 2006. However, land was not recognised in the books of account and the lease premium paid towards land was disclosed as advance in the year ended 31 March 2006. Accordingly, the total amount of lease premium has been capitalised, the advance has been adjusted in the restated financial statements during the period 8 April 2005 to 31 March 2006 and the impact of the amortisation thereon has been adjusted, accordingly in the restated financial statements in the for the period April 8, 2005 to March 31, 2006, financial years ended March 31, 2007, March 31, 2008, March 31, 2009 and March 31, 2010.

- *Expenses attributable to capitalisation*

The land was capitalised in the financial year ended March 31, 2007, including the interest paid on such lease premiums. Other administrative and finance costs were also capitalised in the financial statements for the period April 8, 2005 to March 31, 2006, financial years ended March 31, 2007 and March 31, 2008.

The Company adopted Accounting Standard on 'Fixed assets' (AS) 10 and applied the principles provided therein in connection with the capitalisation of expenses directly attributable to assets with effect from the year ended March 31, 2009. Therefore expenses that were considered indirectly attributable to capitalisation like interest and administrative costs have been accordingly charged to expenses in the restated financial statements for the period April 8, 2005 to March 31, 2006 and financial years ended March 31, 2007, March 31, 2008, March 31, 2009 and March 31, 2010.

- *Interest on deferred payment for land*

In the year ended March 31, 2006 and March 31, 2007, interest related to deferred payment for land was not accrued/ short accrued. The interest was subsequently accrued in the year ended March 31, 2007 and March 31, 2008, respectively. Such interest has been adjusted to the respective years in the restated financial statements for the year ended March 31, 2006 and March 31, 2007 by expensing it off with a corresponding impact on the value of land capitalised.

Overview of our Results of Operations

As a result of the various factors discussed above that affect our income and expenditure, our results of operations may vary from period to period. The following table sets forth certain information with respect to our results of operations for the Fiscals 2007, 2008 and 2009 and 2010, as derived from our restated financial statements:

(Rs. Lakh)

Particulars	**Fiscal 2007**	**Fiscal 2008**	**Fiscal 2009**	**Fiscal 2010**	
				Amount	**% of Total Income**
Income					
Net Sales of solar cells(1)	-	-	-	11,251.67	85.58
Other Income	-	-	73.96	1,896.18	14.42
Total (A)	**-**	**-**	**73.96**	13,147.85	100.00
Expenditure					
(Increase)/decrease in stock	-	-	-	(2,967.40)	(22.57)
Manufacturing cost	-	-	-	16,145.65	122.80
Personnel costs	-	-	476.93	849.76	6.46
Selling, administrative & other expenses	6.52	16.00	353.67	1,144.05	8.70
Finance and related charges	12.97	9.56	9.92	2,722.77	20.71
Depreciation and amortisation	2.82	2.82	48.40	1,873.09	14.25
Preliminary expenses	-	-	-	-	-
Total (B)	**22.31**	**28.38**	**888.92**	19,767.92	150.35
Net profit/(loss) before tax (A-B)	**(22.31)**	**(28.38)**	**(814.96)**	(6,620.07)	(50.35)
Provision for tax					
- current tax	-	-	-	-	-
- Fringe benefit tax	-	-	11.88	-	-
- wealth tax	-	-	0.17	1.23	0.01
Net profit/(loss) after tax	**(22.31)**	**(28.38)**	**(827.01)**	(6,621.30)	(50.36)
Profit/(Loss) brought forward from previous year	(20.84)	(43.15)	(71.53)	(1,453.58)	(11.06)
Loss carried forward on amalgamation	-	-	(555.04)	-	-
Profit/(Loss) carried forward to Balance Sheet	**(43.15)**	**(71.53)**	**(1,453.58)**	(8,074.88)	(61.42)

(1) *We describe Net Sales to mean gross sales net of excise duty payable.*

Gross margin

Our gross margin may be affected by changes in our income and expenses. Our revenues are determined by the average selling prices of our SPV cells, as well as the volume of SPV cells that we are able to sell. Our expenses are affected by our ability to manage raw material costs and to efficiently manage our manufacturing process. Our gross margin may increase or decrease due to fluctuation in prices of poly-silicon wafers.

Components of Income and Expenditure

The following descriptions set forth information with respect to key components of our financial statements:

Income

Our income primarily comprises of income from sale of SPV cells and other income, details of which are provided herein below.

The following table shows our income for the Fiscals 2007, 2008, 2009 and 2010:

	Fiscal 2007	Fiscal 2008	Fiscal 2009	Fiscal 2010
Net sales of solar cells	-	-	-	11,251.67
Other Income	-	-	73.96	1,896.18
Total	**-**	**-**	**73.96**	13,147.85

Income from sale of SPV cells

Our Company derives substantial portion of its revenues from the sale of the SPV cells manufactured by us. We commenced commercial production of SPV cells in July 2009. The Price per Watt and average selling price for our SPV cells are determining factors for income from sale of our SPV cells and are influenced by various factors such as the overall market demand for SPV cells, currency exchange and interest rates.

We determine the Price per Watt of SPV cells based on the prevailing market prices when we enter into sales contracts with our customers or when our customers place purchase orders with us, taking into account the size of the contract or the purchase order, the strength, history and prospects of our relationship with the customer and our costs. We typically enter into sales contracts on various terms with our customers and are obligated to deliver SPV cells according to a pre-agreed price and schedule during the term of the contract. We also sell SPV cells via purchase orders placed by our customers.

Other income

Our other income presently comprises of interest received on fixed deposit, foreign exchange gains and other miscellaneous income.

Expenses

Our expenses primarily comprise of manufacturing cost, personnel costs, selling and administrative expenses, finance charges and depreciation/amortization. The following table shows our expenses for the Fiscals 2007, 2008, 2009 and 2010:

(Rs. Lakh)

	Fiscal 2007	Fiscal 2008	Fiscal 2009	Fiscal 2010
(Increase)/decrease in stock	-	-	-	(2,967.40)
Manufacturing cost	-	-	-	16,145.65
Personnel costs	-	-	476.93	849.76
Selling, administrative & other expenses	6.52	16.00	353.67	1,144.05
Finance and related charges	12.97	9.56	9.92	2,722.77
Depreciation and amortisation	2.82	2.82	48.40	1,873.09
Total	**22.31**	**28.38**	**888.92**	19,767.92

We expect our total expenditure to increase as we increase our capacity and production volume, whereas we expect the Cost per Watt to decrease due to increase in our manufacturing capacity and consequent economies of scale as well as increased Manufacturing Yield and Conversion Efficiencies. Potential increases in our suppliers' cost of poly-silicon wafers as well as the potential increase in overhead cost may also contribute to higher expenditures.

Manufacturing cost

Manufacturing cost includes the cost of raw materials used for our SPV cell production such as poly-silicon wafers, and other direct raw materials and components, including pastes, chemicals, gases and consumables.

Poly-silicon wafers are the primary raw material for the manufacturing of SPV cells. We currently use 6-inch multicrystalline poly-silicon wafers in our production. Currently, due to the industry-wide excess supply of silicon raw materials experienced during the past one year, we have primarily purchased silicon wafers from the spot market. We primarily purchase wafers from third-party suppliers, most of which are located in China, Taiwan, Japan and Germany. We expect that the cost of poly-silicon wafers will continue to constitute a substantial portion of our manufacturing cost as well as total expenditure.

In order to meet a portion of our raw material requirements, we intend to explore entering into buy-and-sell arrangements with some of our customers, under which we shall secure poly-silicon wafers from some of our customers, and sell our SPV cells to them in return.

Personnel costs

Personnel cost consist primarily of expenses incurred towards payment of salary, wages and perquisites to the employees.

Selling, administrative and other expenses

Administrative costs consist primarily of expenses incurred towards payment of selling expenses and factory and office maintenance.

Finance and related charges

Finance cost consists primarily of expenses incurred towards payment of interest and charges to banks and others. We have currently not obtained any foreign currency denominated debt, which may be less expensive than rupee denominated loans.

Depreciation and amortisation

Tangible assets: Depreciation has been calculated on a pro rata basis, under the straight-line method over the useful life of assets, based on rates specified in Schedule XIV to the Companies Act except mobile phones and leasehold land. Mobile phones (included under office equipments) are depreciated over a period of one year and leasehold land is amortized over the period of lease on straight line basis.

Intangible assets: Intangible assets representing computer software are depreciated over a period of 5 years on a pro rata basis.

Assets costing up to Rs. 5,000 are fully depreciated in the year of purchase.

Taxation

We are subject to income tax liability in India pursuant to the IT Act. Also, pursuant to the IT Act, corporations are in some circumstances subject to a minimum tax liability based on book profit. We make provision for current tax as well as for deferred tax liability based on our anticipated utilization of tax charges carried forward.

Provision for Taxation

Current Tax: Current tax is the provision made for income tax liability on the profits for the applicable financial period in accordance with applicable tax laws.

Deferred Tax: Deferred tax arises from timing differences between book profits (accounting) and taxable profits that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using tax rates and laws that have been enacted or substantially enacted as of the date of our Company's balance sheet.

Fiscal 2010

We commenced commercial production of SPV cells in July 2009 with one manufacturing line having an annual manufacturing capacity of 80 MW. The second manufacturing line having an equal capacity commenced commercial production in March 2010, resulting in an aggregate annual manufacturing capacity of 160 MW. While increase in our production capacity will result in higher volumes of SPV cells, however, this did not have any immediate impact on our results of operations during Fiscal 2010. For details in relation to our Orderbook, see the section titled "Our Business" on page 56.

We have recently undergone a restructuring exercise pursuant to which the Transferor Company was amalgamated into our Company. We were a company with no material assets until the Appointed Date and no material business during the Fiscals 2007, 2008 and 2009.

Salient features of the Scheme

The salient features of the Scheme were as follows:

a) All assets, debts, liabilities, duties and obligations comprising the undertaking of the Transferor company stood transferred or deemed to have been transferred to our Company with effect from the Appointed Date. All such assets, liabilities and reserves of the Transferor Company have been taken over at book values at the opening of the business on the Appointed Date.

b) The Erstwhile Promoters were paid Rs. 2,273.50 Lakh in proportion to their shareholding in our Company as on the Appointed Date. Further, as per the Scheme, this amount of Rs. 2,273.50 Lakh was adjusted against the debit balance of the Erstwhile Promoters (as shareholders of our Company prior to the Effective Date), appearing in the books of the Transferor Company.

c) All shares of our Company, i.e., 10,000 Equity Shares fully paid-up were reduced and the paid-up value was paid to the Erstwhile Promoters entitled thereto in cash, as part of the Scheme. Consequent to such payment, the Erstwhile Promoters ceased to have any stake in our Company.

For further details, see the sections titled "History and Certain Corporate Matters–Scheme of Amalgamation" and "Financial Statements" on pages 93 and F-1, respectively.

Discussion of financial results for the Fiscal 2010

Income

In Fiscal 2010, our total income was Rs. 13,147.85 Lakh. The following table shows our income for Fiscal 2010:

	Fiscal 2010 (Rs. Lakh)
Income from sale of SPV cells	11,251.67
Other income	1,896.18
Total	**13,147.85**

Income from sale of SPV cells

During Fiscal 2010, we had sold 19.38 MW of SPV cells and the income arising out of sale of SPV cells was Rs. 10,722.52 Lakh, constituting 81.55% of our total income during such period. For month-wise details of our income from sale of SPV cells during Fiscal 2010, see the section titled "Our Business – Sales of our SPV cells" on page 65.

Normal variation in the quality of poly-silicon wafers may result in production of a certain proportion of SPV cells that may not meet our customers' specifications. We refer to these SPV cells as being off-specification. In Fiscal 2010, we sold off-specification SPV cells at a discount to recover some or all of our expenses during the production process. Off-specification SPV cells can be difficult to sell and the market price for them is volatile.

We sold 16.35 MW of SPV cells with an average selling price of Rs. 54.77 per Watt in the three months ended March 31, 2010 compared to 1.88 MW with an average selling price of Rs. 53.54 per Watt during the three months ended December 31, 2009 and 1.15 MW with an average selling price of Rs. 66.40 per Watt during the three months ended September 30, 2009.

We presently sell our SPV cells primarily to Indian, European, Taiwanese and Chinese customers. For details in relation to our income from sale of our SPV cells by geographic region, see the section titled "Our Business – Sales of our SPV cells" on page 65.

We also outsource to third parties the manufacturing of SPV modules from our SPV cells or purchase SPV modules from third parties for sale of such SPV modules to our customers. During Fiscal 2010, we sold 0.52 MW of SPV modules and the income from sale of SPV modules during such period was Rs. 529.15 Lakh.

Since the commencement of commercial production in July 2009 with one manufacturing line of an annual manufacturing capacity of 80 MW, we have witnessed a steady increase in our production output of SPV cells. Our Manufacturing Yield has improved from 71.99% in July 2009 to 89.29% in March 2010.

Other income

For Fiscal 2010, our other income consisted of interest received on fixed deposit, foreign exchange gains (net) and other miscellaneous income wherefrom we received Rs. 17.97 Lakh, 1,857.84 Lakh and 20.37 Lakh, respectively, which together constituted Rs. 1,896.18 Lakh, constituting 14.42% of our total income during such period. We recorded net foreign exchange gains during Fiscal 2010, primarily on account of the gains arising from the forward exchange contracts entered into by our Company for purchase of plant and machinery. The remaining gains have been on account of foreign exchange benefits arising from sale of our SPV cells and purchase of poly-silicon wafers.

Expenses

The following table shows our expenses for Fiscal 2010:

	Fiscal 2010 (Rs. Lakh)
(Increase)/decrease in stock	(2,967.40)
Manufacturing cost	16,145.65
Personnel costs	849.76
Selling, administrative and other expenses	1,144.05
Finance and related charges	2,722.77
Depreciation and amortisation	1,873.09
Total	19,767.92

Manufacturing cost

Manufacturing cost for Fiscal 2010 was Rs. 16,145.65 Lakh, constituting 122.80% of our total income during this period. Provided below are certain details of the manufacturing cost incurred during the Fiscal 2010:

Manufacturing costs	Fiscal 2010 (Rs. Lakh)
Raw material consumed	14,349.47
Conversion charges	203.61
Consumable stores	81.21
Fuel and power	981.36
Gas management charges	44.62
Equipment rental charges	120.28

Loading and unloading charges	45.07
Spares consumed	320.03
Total	**16,145.65**

Procurement of poly-silicon wafers

The average cost of poly-silicon wafers procured by us during Fiscal 2010 is Rs. 142.18 (US$ 3.19) per poly-silicon wafer. For month-wise details of cost of procurement of poly-silicon wafers, see the section titled "Our Business – Raw Materials" on page 67. The cost incurred towards procurement of poly-silicon wafers during Fiscal 2010 was Rs. 11,963.28 Lakh, constituting 74.10% of our total manufacturing cost and 60.52% of our total expenses.

Gas management charges

Gas management charges of approximately Rs. 44.62 Lakh were incurred by our Company towards management of gases such as *silane gas* and *ammonia* are highly flammable and dangerous to the surrounding environment. Effective management of such gases and chemicals is therefore essential and requires expenditure to be incurred.

Fuel and power

Expenditure towards fuel and power comprise primarily of expenses incurred towards procurement of diesel to act as fuel for our diesel-powered generator sets. We expect the cost towards fuel and power to decrease as we commence deployment of gas-based fuels to power our generator sets. For further details in relation to our arrangements for power for our manufacturing facilities, see the section titled "Our Business - Power" on page 71.

Personnel costs

Personnel cost for Fiscal 2010 was Rs. 849.76 Lakh, constituting 6.46% of our total income during this period. Provided below are certain details of the personnel cost incurred during the Fiscal 2010:

Personnel costs	Fiscal 2010 (Rs. Lakh)
Salaries, wages and bonus	677.48
Contribution to provident and other funds	67.44
Staff welfare	104.84
Total	**849.76**

Selling, administrative and other expenses

Selling, administrative and other expenses for Fiscal 2010 was Rs. 1,144.05 Lakh, constituting 8.70% of our total income during this period. Provided below are certain details of the selling, administrative and other expenses incurred during the Fiscal 2010:

Administrative costs	Fiscal 2010 (Rs. Lakh)
Advertisement and sales promotion	468.12
Travel and conveyance	196.55
Legal and professional	203.49
Rent	9.45
Insurance expenses	38.77
Communication	39.68
Repair and maintenance – Vehicle	40.20
Repair and maintenance – Others	22.70
Safety expenses	21.25
Rates and taxes	1.15
Miscellaneous	102.69
Total	1,144.05

We expect our selling expenses to increase in the near term as we increase our sales efforts, hire additional sales personnel, and target new markets and initiate additional marketing programs to build our brand. Absent other factors, we do not expect sales and marketing expenses to increase at a proportionate rate with increases in income from net sales of our SPV cells. Accordingly, as a result of economies of scale, sales and marketing expenses, as a percentage of total income, may decrease with increased sales.

Finance and related charges

Finance and related charges for Fiscal 2010 was Rs. 2,722.77 Lakh, constituting 20.71% of our total income during this period. Provided below are certain details of the finance and related charges incurred during the Fiscal 2010:

Finance costs	Fiscal 2010 (Rs. Lakh)
Interest on term loan	2,281.92
Interest on working capital loan	227.02
Interest on bill discounting	33.91
Other finance charges	179.92
Total	2,722.77

Depreciation and amortisation

Depreciation and amortisation for Fiscal 2010 was Rs. 1,873.09 Lakh, constituting 14.25% of our total income during this period.

Net profit/(loss) before tax

Net loss before tax for Fiscal 2010 was Rs. 6,620.07 Lakh.

Net profit/(loss) after tax

Net loss after tax for Fiscal 2010 was Rs. 6,621.30 Lakh.

Fiscal 2009

We have recently undergone a restructuring exercise pursuant to which the Transferor Company was amalgamated into our Company. The High Court of Delhi by its order dated September 16, 2009 approved the scheme of amalgamation of the Transferor Company with our Company with effect from the Appointed Date. Subsequently, the said the scheme of amalgamation became effective on September 24, 2009.

Pursuant to the said restructuring exercise, all assets and liabilities of the Transferor Company were transferred to us on a going concern basis with effect from the Appointed Date. Further, all contracts, deeds, agreements, bonds, etc. to which Transferor Company was a party, stood transferred in favour of our Company. For details in relation to the restructuring exercise, see the section titled "History and Certain Corporate Matters" on page 90.

The amalgamation which was in the nature of merger has been accounted for in accordance with the Scheme and as prescribed by AS 14 – "Accounting for Amalgamation". For further details, see the significant notes to accounts to our financial statements appearing in the section titled "Financial Statements" on page F-1.

The assets and liabilities of the Transferor Company as at the Appointed Date were incorporated into the respective assets and liabilities of our Company. The assets, liabilities and balances taken over on amalgamation pursuant to the Scheme are outlined below:

Particulars	Amount (Rs. Lakh)
Assets	
Fixed assets (net)	192.62
Capital work-in-progress (including advances)	31,519.91
Inventories	34.80
Cash and bank balances	8,809.44
Loans and advances	6,499.82
Liabilities	

Secured loans	24,588.90
Current liabilities and provisions	4,447.73
Net assets taken over	**18,019.96**
Accumulated losses of Transferor Company	**555.04**
Paid up value of shares to be issued by Robin pursuant to the above scheme of amalgamation	**18,575.00**
Excess / (deficit) of net assets over purchase consideration transferred to general reserve / profit and loss account	-

The debit balance of the 'Profit and Loss Account' aggregating to Rs. 555.04 Lakh of the Transferor Company has been recognized in the same form and at the same amount as in the books of Transferor Company at the Appointed Date.

The shares issued to shareholders of Transferor Company (i.e., our Promoters) have been recorded by way of credit to share capital of our Company at the amount considered as paid-up thereon, i.e. Rs. 18,575.00 Lakh.

As per the Scheme, an amount of Rs. 1.00 Lakh on account of reduction of share capital was paid to the Erstwhile Promoters, as shareholders of our Company as on the Effective Date.

As per the Scheme, an amount of Rs. 2,273.50 Lakh was paid to the Erstwhile Promoters, as shareholders of our Company, and such amount was adjusted against the advance receivable aggregating to Rs. 2,054.50 Lakh that was existing in the books of the Transferor Company after the amalgamation and the balance of Rs. 219.00 Lakh was included in the category of 'Sundry Creditors' as at March 31, 2009. An amount of Rs. 2,273.50 Lakh in respect of payments to be made to the Erstwhile Promoters was adjusted against the revaluation reserve existing in the books of our Company as at December 31, 2008 as per the Scheme. For further details in this regard, see the sections titled "History and Certain Corporate Matters – Scheme of Amalgamation" on page 93.

Discussion of financial results for the Fiscal 2009

We did not have any income from operations during Fiscal 2009. Other income earned during Fiscal 2009 was Rs. 73.96 Lakh on account of interest on fixed deposits. Further, we incurred expenditure only in connection with the day-to-day operations including towards personnel costs, administrative costs and depreciation.

Discussion of financial results for the Fiscal 2008

We did not have any income from operations or other income during Fiscal 2008. Further, we incurred expenditure only in connection with the day-to-day operations including towards administrative costs, finance costs and depreciation.

Discussion of financial results for the Fiscal 2007

We did not have any income from operations or other income during Fiscal 2007. Further, we incurred expenditure only in connection with the day-to-day operations including towards administrative costs, finance costs and depreciation.

Liquidity and Capital Resources

We operate in a capital-intensive industry and have historically financed the capital expenditures through a combination of equity and borrowings from commercial banks and financial institutions. Our liquidity requirements relate to servicing our debt and funding our working capital requirements. We currently hold our cash and cash equivalents in Indian Rupees.

Our short-term liquidity requirements relate to servicing our debt and funding working capital requirements. Sources of short-term liquidity include cash balances and short term funding from banks and financial institutions.

As at March 31, 2010, we had cash and cash equivalents of Rs. 2,410.97 Lakh. To date we have funded our growth principally from proceeds from equity and bank borrowings. Our principal uses of cash have been, and are expected to continue to be capital expenditure towards purchase of our equipment and funding of our working capital requirements. The following table presents our cash flow data for the periods indicated:

Cash Flow Data

The following table sets forth certain information about our cash flows for the periods indicated.

	Fiscal 2007	Fiscal 2008	Fiscal 2009	Fiscal 2010
	(Rs. Lakh)			
Cash Inflow/(Outflow) from operating activities	(6.47)	532.77	2,221.74	(4,876.74)
Cash Inflow/(Outflow) from investing activities	(23.28)	(309.50)	(7,406.08)	(22,939.93)
Cash Inflow/(Outflow) from financing activities	29.79	(206.75)	(570.28)	27,159.50
Net changes in cash and cash equivalents	0.04	16.51	(5,754.62)	(657.17)
Cash and Cash Equivalent (Closing Balance)	**0.04**	**16.55**	**3,071.05**	**2,410.97**

Net Cash from Operating Activities

Our net cash used in operating activities was Rs. 4,876.74 Lakh in Fiscal 2010. We had net loss after tax and adjustments of Rs. 6,621.30 Lakh based on our restated accounts. Our net cash from operating activities reflects non-cash/non-operating items of depreciation of Rs. 1,873.09 Lakh, interest income of Rs. 17.97 Lakh, provision for tax of Rs. 1.23 Lakh, interest expenses of Rs. 2,546.86 Lakh, Rs. 7.88 Lakh as liabilities/ provisions no longer required to be written back and Rs. 516.39 Lakh as unrealized foreign exchange gain. Changes in current assets and liabilities that had a current year cash flow impact were comprised mainly of an increase in working capital of Rs. 2,105.43 Lakh, consisting of the net effect of an increase in sundry debtors, increase in inventories, increase in loans and advances offset by an increase in current liabilities and provisions. Further, the operating cash flows decreased by Rs. 28.97 Lakh on account of taxes paid during the year.

Our net cash from operating activities was Rs. 2,221.74 Lakh in Fiscal 2009. We had net loss after tax and adjustments of Rs. 827.01 Lakh based on our restated accounts. Our net cash from operating activities reflects non-cash/non-operating items of depreciation of Rs. 48.40 Lakh, interest income of Rs. 73.96 Lakh, provision for tax of Rs. 12.05 Lakh, interest expenses of Rs.6.75 Lakh and Rs. 34.65 Lakh as unrealized foreign exchange loss. Changes in current assets and liabilities that had a current year cash flow impact were comprised mainly of a decrease in working capital of Rs. 3,064.95 Lakh, consisting of the net effect of an increase in inventories, decrease in loans and advances and decrease in current liabilities and provisions. Further, the operating cash flows decreased by Rs. 44.09 Lakh on account of taxes paid during the year.

Our net cash from operating activities was Rs. 532.77 Lakh in Fiscal 2008. We had net loss after tax and adjustments of Rs. 28.38 Lakh based on our restated accounts. Our net cash from operating activities reflects non-cash/non-operating items of depreciation of Rs. 2.82 Lakh and interest expenses of Rs. 9.53 Lakh. Changes in current assets and liabilities that had a current year cash flow impact were comprised mainly of a decrease in working capital of Rs. 548.80 Lakh consisting of increase in current liabilities and provisions.

Our net cash used in operating activities was Rs. 6.47 Lakh in Fiscal 2007. We had net loss after tax and adjustments of Rs. 22.31 Lakh based on our restated accounts. Our net cash from operating activities reflects non-cash/non-operating items of depreciation of Rs. 2.82 Lakh and interest expenses of Rs. 12.97 Lakh. Changes in current assets and liabilities that had a current year cash flow impact were comprised mainly of a decrease in working capital of Rs. 0.05 Lakh consisting of increase in current liabilities and provisions.

Net Cash from Investing Activities

Our net cash used in investing activities was Rs. 22,939.93 Lakh in Fiscal 2010. This reflected expenditure on fixed assets of Rs. 22,680.39 Lakh and decrease in capital creditors of Rs. 365.74 Lakh and interest received of Rs. 106.20 Lakh during the year.

Our net cash used in investing activities was Rs. 7,406.08 Lakh in Fiscal 2009. This reflected expenditure on fixed assets of Rs. 8,109.53 Lakh offset by an increase in capital creditors of Rs. 599.17 Lakh and interest received of Rs. 104.28 Lakh during the year.

Our net cash used in investing activities was Rs. 309.50 Lakh in Fiscal 2008. This reflected expenditure on fixed assets of Rs. 286.50 Lakh and decrease in capital creditors of Rs. 23.00 Lakh during the year.

Our net cash used in investing activities was Rs. 23.28 Lakh in Fiscal 2007. This reflected decrease in capital creditors of Rs. 23.28 Lakh during the year.

Net Cash from Financing Activities

Our net cash from financing activities was Rs. 27,159.50 Lakh in Fiscal 2010. We raised Rs. 27,254.46 Lakh of borrowings from banks, consisting principally of long-term loans of Rs. 21,350.56 Lakh and Rs. 5,903.90 Lakh of short term loans including bills discounted and buyers credit. We received an amount of Rs. 1075.00 Lakh from converting partly paid-up shares into fully paid-up shares. We received an amount of Rs.700.00 Lakh from issue of share capital at par to the Promoters and further received an amount of Rs. 504.00 Lakh from issue of share capital inclusive of share premium of Rs.364.00 Lakh. We received a share application (pending allotment) of Rs. 1,516.50 Lakh. We received unsecured loan from shareholders of Rs. 700 Lakh. We paid an expenditure on share issue of Rs. 269.61 Lakh. We paid interest and finance charges of Rs. 4,320.85 Lakh during the year.

Our net cash used in financing activities was Rs. 570.28 Lakh in Fiscal 2009. We raised Rs. 1,269.73 Lakh of borrowings from banks, consisting of long-term loans. We received Rs. 350.00 Lakh from issuance of share capital. We repaid Rs. 1,375.45 Lakh of long-term loans to banks. We paid interest and finance charges of Rs. 814.56 Lakh during the year.

Our net cash used in financing activities was Rs. 206.75 Lakh in Fiscal 2008. We repaid Rs. 196.40 Lakh of unsecured loans. We paid interest and finance charges of Rs. 10.35 Lakh during the year.

Our net cash from financing activities was Rs. 29.79 Lakh in Fiscal 2007. We received Rs. 53.24 Lakh of unsecured loans. We paid interest and finance charges of Rs. 23.45 Lakh during the year.

Fixed Assets

The table below sets forth the gross block of fixed assets as at the end of each year by class of assets.
Gross Block

(Rs. Lakh)

	As at March 31			
	2007	**2008**	**2009**	**2010**
Tangible assets				
Leasehold land	253.48	253.48	2,526.98	2,526.98
Building and structures	--	--	3,564.24	4,982.90
Data processing equipments	--	--	17.49	31.67
Office equipments	--	--	23.38	58.14
Furniture and fixtures	--	--	26.45	585.63
Plant and machinery	--	--	684.19	58,865.14
Vehicles	--	--	207.88	215.50
Total	**253.48**	**253.48**	**7,050.61**	67,265.96
Intangible Assets				
Software	--	--	0.77	9.14
Total	**253.48**	**253.48**	**7,051.38**	67,275.10

The increase in the gross block of the fixed assets at the year-end over the last three Fiscals consisted mainly of leasehold land, building and structures and plant and machinery classified under tangible assets. We have in the past relied principally on cash flow from operations, borrowings from banks and equity funding as our main sources of funds for acquisition of such fixed assets. For details in relation to revaluation of the above mentioned land, see the sections titled "Other Regulatory and Statutory Disclosures" on page 151.

Capital work-in-progress (including capital advances)

As of March 31, 2010, we had Rs. 68,281.22 Lakh of fixed assets, comprising of Rs. 1,006.12 Lakh of capital work in progress. As of March 31, 2009 and March 31, 2008, we had Rs. 43,327.23 Lakh and Rs. 539.98 Lakh of fixed assets, comprising of Rs. 36,275.85 Lakh and Rs. 286.50 Lakh of capital work in progress, respectively.

Capital work in progress was primarily on account of purchases of plant and machinery such as the main production line as well as other auxiliary equipments, site development and civil construction costs for establishment and commissioning of the first two manufacturing lines having an annual manufacturing capacity of 80 MW each. While commercial production commenced for the first manufacturing line since July 2009, the commercial production commenced for the second manufacturing line in March 2010.

Our capital work-in-progress (including capital advances) during the periods mentioned above comprises of the following items:

(Rs. Lakh)

	Fiscal 2008	**Fiscal 2009**	**Fiscal 2010**
Capital work in progress	-	28,936.96	989.75
Capital advances	286.50	5,361.12	16.37
Expenditure attributable to assets pending capitalization	-	411.15	-
Borrowing costs	-	1,566.62	-
Total	**286.50**	**36,275.85**	1,006.12

In Fiscal 2007, there was no capital work-in-progress. We anticipate that our expenditure on fixed assets will increase significantly in the next 24 months in line with our plans to expand our manufacturing capacity. See the sections titled "Our Business" and "Objects of the Issue" on pages 56 and 32, respectively, for a description of our capacity expansion plans.

Borrowings

As of March 31, 2010, we had total borrowings of Rs. 54,373.49 Lakh. The following table shows our borrowings as of March 31, 2010:

	Fiscal 2010 (Rs. Lakh)
Secured Loans	
From banks	53,673.49
From financial institutions	NIL
From others	NIL
Interest accrued and due	NIL
Sub Total	**53,673.49**
Unsecured Loans	
From Shareholders	700.00
Sub Total	**700.00**
Total borrowings	**54,373.49**

For further details regarding our indebtedness, see the section titled "Financial Indebtedness" on page 140.

Equity share capital

As on the March 31, 2010, the issued and paid-up share capital of our Company was Rs. 20,840 Lakh which comprised of 20,84,00,000 Equity Shares.

We have recently undergone a restructuring exercise pursuant to which the Transferor Company (the erstwhile "Indosolar Limited") amalgamated into our Company. For further details of the Scheme, see the section titled "History and Certain Corporate Matters" on page 90.

Details of allotment made pursuant to the Scheme are as follows:

Name of allottee	Number of Equity Shares allotted	Cumulative number of Equity Shares	Cumulative share capital (Rs.)

Promoter Group			
Mr. Hulas Rahul Gupta	74,885,494	74,885,494	748,854,940
Greenlite Lighting Corporation	70,114,500	144,999,994	1,449,999,940
Mr. Bhushan Kumar Gupta	55,000,001	199,999,995	1,999,999,950
Ms. Priya Desh Gupta	1	199,999,996	1,999,999,960
Ms. Abha Gupta	1	199,999,997	1,999,999,970
Others			
Mr. Anand Kumar Agarwal	1	199,999,998	1,999,999,980
Mr. Gurbaksh Singh Vohra	1	199,999,999	1,999,999,990
Mr. Atul Kumar Mittal	1	200,000,000	2,000,000,000
Total	**200,000,000**	**200,000,000**	**2,000,000,000**

In consideration of transfer and vesting of the undertaking of the Transferor Company, in terms of the Scheme, 185,000,000 Equity Shares fully paid-up and 15,000,000 Equity Shares partly paid-up to the extent of Rs. 0.50 were allotted to our Promoters (i.e., the shareholders of the Transferor Company prior to the Effective Date) in the same proportion of their shareholding in the Transferor Company. Prior to the Effective Date, the equity shares of the Transferor Company were made fully paid-up on May 25, 2009. As per the Scheme, the same shall continue in our Company on the same terms and conditions as if the same had been issued and allotted by our Company.

The Equity Shares allotted and reduced pursuant to the scheme of amalgamation on September 26, 2009 are as follows:

Description	Amount (Rs. Lakh)
Shares allotted pursuant to the scheme of amalgamation	
Shares of Transferor Company existing as at December 31, 2008	
Fully paid 1,850 Lakh equity shares of Rs. 10 each	18,500.00
Partly paid 150 Lakh equity shares – Rs. 0.50 paid up	75.00
	18,575.00
Call made against partly paid shares by Transferor Company	
- Up to 31 March 2009	
Partly paid 100 Lakh equity shares – Rs. 3.50 paid up	350.00
- During the Fiscal 2010	
Partly paid 100 Lakh equity shares – Rs. 6 paid up	600.00
Partly paid 50 Lakh equity shares – Rs. 9.5 paid up	475.00
Shares allotted pursuant to the scheme of amalgamation	**20,000.00**
Reduction in shares of fully paid Equity Shares in our Company, pursuant to the scheme of amalgamation	**1.00**

An initial allotment of 5,000 Equity Shares each was made in favour of the Erstwhile Promoters, who were shareholders of our Company prior to the Effective Date. However, pursuant to the scheme of amalgamation, our Company has reduced 10,000 equity shares of Rs. 10 each during the Fiscal 2010 and the paid up value was paid off to the Erstwhile Promoters entitled thereto, during the Fiscal 2010.

The unpaid amount on equity shares of the Transferor Company were called for and made fully paid on May 25, 2009. All the equity shares of the Transferor Company had therefore become fully paid as on the Effective Date and on the date of allotment of Equity Shares on September 25, 2009 to the shareholders of the Transferor Company pursuant to the Scheme.

For further details in relation to allotment of Equity Shares prior to filing of this Red Herring Prospectus, see the section titled "Capital Structure" on page 19.

Contractual Obligations, Commitments and Off-Balance Sheet Arrangements

The following table summarizes our contractual obligations and commitments to make future payments as of March 31, 2010 and the effect that such obligations and commitments are expected to have on liquidity and cash flow in future periods:

	As of March 31, 2010				
	Total	Within	Second	Third to	After

		1 Year	Year	Fifth Year	Five Years
					(Rs. Lakh)
Long-term Loans	46,000.00*	9,200.00	9,200.00	27,600.00	--
Short-term Loans	4,435.84	4,435.84	--	--	--
Other Capital Commitments	115.29	115.29	--	--	--
Total Contractual Obligations	50,551.13	13,751.13	9,200.00	27,600.00	--

**of the total sanctioned amount of Rs. 46,000.00 Lakh, our Company has drawn down Rs. 45,833.75 Lakh and the balance will be utilized on maturity of letters of credit.*

Revaluation reserve

The leasehold land over which our manufacturing facility is currently situated was re-valued by an independent valuer as on December 31, 2008 resulting in increase in its value by Rs. 2,273.50 Lakh which was credited to the 'revaluation reserve'. The revaluation reserve was utilised towards payments made to the Erstwhile Promoters (i.e., shareholders of our Company as of December 31, 2008), pursuant to the Scheme in Fiscal 2009. As a result, there was no effect on 'net asset value' of our Company and correspondingly, its Net Worth since the increase in the book value of land was offset by the decrease in the net current assets. Therefore, the revaluation reserve which was recognised as on December 31, 2008 had no impact on the Net Worth of our Company as at March 31, 2009 or in any subsequent financial periods.

Off-Balance Sheet Arrangements

We believe that our Company does not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenue or expenses, operating results, liquidity, capital expenditure or capital resources that is material to investors.

Related Party Transactions

For details in relation to the related party transactions, see the section titled "Financial Statements" on page F-34.

Quantitative and Qualitative Disclosure about Market Risk

Market risk is the risk of loss related to adverse changes in market prices, including interest rate and foreign exchange rates of financial instruments. We are exposed to various types of market risks, in the normal course of business. For instance, we are exposed to market interest rates and exchange rate movements on foreign currency advances and receivables. We currently do not have any derivative transactions for the purpose of minimizing our exposure to interest rate and foreign exchange risks, however, as our business grows, we may consider entering into such arrangements. The following discussion and analysis, which constitute "forward-looking statements" that involve risk and uncertainties, summarize our exposure to different market risks.

Credit Risk

We grant our large customers credit terms, according to our current credit policy and hence, are exposed to certain credit risk. We may provide performance guarantees in favour of some of our customers to secure obligations under our contracts. In addition, letters of credit are often required to satisfy payment obligations to suppliers. If we are unable to provide sufficient collateral to secure letters of credit or performance guarantees, our ability to enter into new sale contracts or obtain adequate supplies could be limited. Further, all of these factors may result in increases in our short-term borrowings.

Interest Rate Risk

We are subject to market risks due to fluctuations in interest rates and refinancing of debt. We do not currently enter into any swap or interest rate hedging transactions in connection with our loan agreements. Any increase in interest expense due to factors beyond our control, such as governmental, monetary and tax policies and domestic and international economic and political conditions, may affect on our business prospects, financial condition and results of operations. In addition, an increase in interest rate may adversely affect our ability to service long-term debt and to finance expansion of our manufacturing capacity, all of which in turn may adversely affect our results of operations.

Foreign Currency Exchange Rate Risk

Since we intend to conduct and expand most of our business overseas, it will increase our exposure to the risk of currency fluctuations in foreign jurisdictions. To the extent these currencies depreciate against the Indian Rupee, it would decrease our income reported in the Indian Rupee. The exchange rate between the Indian Rupee and the other foreign currencies such as the Euro and U.S. Dollar has changed substantially in recent years and may continue to fluctuate significantly in the future. While the status of our manufacturing facility as an EOU provides us a natural hedge against fluctuations in the value of the Indian Rupee relative to other currencies and consequent impact on our income, cost of sales and services and operating margins, however, this may not eliminate our exposure to foreign exchange rate fluctuations and involves costs and risks of its own, such as ongoing management time and expertise, external costs to implement the strategy and potential accounting implications.

Liquidity and Cash Management Risk

We may be required to incur substantial cash outflow to increase our inventories to meet production output and an increase in advances to suppliers to secure raw materials for our increased production output. Consequently, we require stricter cash management, timely collection of our receivables and payment of advances to our suppliers. At the same time, we need to reduce costs associated with carrying excess inventory. Any deficiency related to treasury and cash flow planning may have a material adverse effect on our cash flows and consequently, our business and results of operations.

Commodities Risk

The availability of poly-silicon wafers, an essential raw material for production of SPV cells, is uncertain, and its price is volatile. We primarily purchase wafers from third-party suppliers to manufacture SPV cells. There may in the future be an industry-wide shortage of poly-silicon due to the growing demand for solar power products and the continuing expansion of the semiconductor industry. In the future, we may, from time to time, face a shortage of silicon raw materials and experience late delivery from suppliers and may have to purchase silicon raw materials at higher price or of lower quality which in turn may result in lower Conversion Efficiencies and reduced revenues per SPV cell.

In late 2008 and 2009, newly available poly-silicon supply and slowed global solar power market growth have resulted in an excess supply of poly-silicon, which created a downward pressure on the price of poly-silicon. According to Solarbuzz, spot prices for solar grade poly-silicon decreased rapidly from $ 450-470 per kilogram to $ 150-130 per kilogram in the first quarter of 2009. By 2009 year end, most poly-silicon spot pricing had drifted into the $55-60 per kilogram range with the larger established suppliers being at the higher end. There can be no assurance that the price of poly-silicon will continue to decline.

Effect of Restatement

Our restated financial information for the Fiscal 2010 and the Fiscals 2009, 2008, 2007 and 2006 have been presented in compliance with Paragraph B(1) of Part II of Schedule II to the Companies Act, Indian GAAP and the SEBI Regulations. The effect of such restatement is that our financial statements included in this Red Herring Prospectus have been restated to conform to methods used in preparing our latest financial statements, as well as to conform to any changes in accounting policies and estimates. The principal adjustments to our financial statements, including on account of changes in accounting policies and estimates, are described below.

The summary of results of restatements made in the audited accounts for the respective years and its impact on our profits/ (losses) is set forth below.

Summary Statement of Adjustments

(Rs. Lakh)

Particulars	Fiscal 2007	Fiscal 2008	Fiscal 2009	Fiscal

				2010
Profit / (Loss) before adjustments	**(5.94)**	**-**	**(830.81)**	**(6,638.37)**
Adjustments on account of:				
I) Change in accounting policies - income/(exp.)	(16.37)	(28.38)	10.09	(3.48)
II) Previous year adjustments – income / (exp.)	-	-	(6.29)	20.55
Total of Adjustments	(16.37)	(28.38)	3.80	17.07
Adjusted Profit / (Loss)	(22.31)	(28.38)	(827.01)	(6,621.30)

Unusual or Infrequent Events or Transactions

To our knowledge there have been no events or transactions that may be described as "unusual" or "infrequent" that may have taken place during the last three years, except as disclosed in this Red Herring Prospectus.

Future Relationship between Costs and Income

Other than as described in this section and the sections titled "Risk Factors", "Our Business" pages xi and 56, respectively, to our knowledge, there are no known factors which will materially impact the future relationship between our operations and revenues.

Significant Regulatory Changes

Except as described in the section titled "Regulations and Policies" on page 76, there have been no significant regulatory changes that could affect our income from continuing operations.

Known trends or uncertainties

Except as described in this Red Herring Prospectus in general and the section titled "Risk Factors" on page xi and this section in particular, to the best of our knowledge and belief, there are no known trends or uncertainties that have or had or are expected to have any material adverse impact on our revenues or income from continuing operations.

New products or business segments

There are currently no publicly announced new products or business segments. For further details on our business strategy, see the section titled "Our Business – Our Business Strategy" on page 59.

Dependence on a few clients

We do not depend on any particular client or group of clients.

Total Turnover of Each Major Industry Segment

We are currently operating in only one industry segment. We report industry segments under our financial statements prepared in accordance with Indian GAAP. For further details, see the section titled "Financial Statements" on page F-1.

Competitive Conditions

We operate in a competitive environment. For further details, see the discussions of our competition in the sections titled "Risk Factors" and "Our Business" on pages xi and 56, respectively.

Seasonality of Business

Our business and operations are affected by seasonal factors. For further details, see the discussions in this regard in the section titled "Risk Factors" on page xi.

FINANCIAL INDEBTEDNESS

A. Secured borrowings:

Set forth below is a brief summary of our Company's significant outstanding secured borrowings of Rs. 56,926.23 Lakh as of July 31, 2010 together with a brief description of certain significant terms of such financing arrangements.

(***Rs. Lakh***)

Name of the lenders	Loan Documentation	Facility	Amount outstanding on July 31, 2010	Interest/ Commission Rate % (p.a.)	Security/ Margin	Repayment schedule
Andhra Bank, Bank of Baroda, Corporation Bank, Indian Bank and Union Bank of India	(a) Facility Agreement; (b) Lenders' Agent Agreement; (c) Security Trustee Agreement; (d) Inter Creditor Agreement alongwith Letter of Confirmation; (e) Joint Deed of Hypothecation; (f) Escrow Account Agreement; (g) Agreement for pledge of 51% Promoters' share in our Company to the lenders on *pari passu* basis; (h) Undertaking for Cost-Overrun from the Promoters; and (i) Personal Guarantee from Promoters (*All agreements were executed on January 16, 2009*)	46,000.00 (The share of each lender is as follows: (a) Andhra Bank = 8,000.00 (b) Bank of Baroda = 9,000.00 (c) Corporation Bank = 9,000.00 (d) Indian Bank = 8,000.00 (e) Union Bank of India = 12,000.00)	44,204.90	(a) Andhra Bank: BPLR plus 0.25% minus spread; (b) Bank of Baroda: BPLR minus spread; (c) Corporation Bank: BPLR minus spread; (d) Indian Bank: BPLR + 0.50% minus spread; and (e) Union Bank of India: BPLR minus spread.	(a) First mortgage of all our Company's immovable properties, both present and future, and the Land; (b) First charge by way of hypothecation of all our Company's moveable properties both present and furture, subject to prior charges created and/or to be created in favour of our Company's working capital providers for securing the borrowings for working capital requirements in the ordinary course of business; (c) First charge on all intangible assets of our Company both present and future; (d) Assignment by our Company of all its escrow accounts and all rights and interests , present and future; (e) Assignment by our Company of its right/title and interest by way of first charge under all of documents	20 equal quarterly instalments repayable after the moratorium period of 12 months commencing from April 2010.

Name of the lenders	Loan Documentation	Facility	Amount outstanding on July 31, 2010	Interest/ Commission Rate % (p.a.)	Security/ Margin	Repayment schedule
					pertaining to all documents, contracts, licenses, permits, consents, letter of credits, guarantees, contractor guarantees, etc. in relation to the Greenfield project of our Company for manufacturing SPV cells with a capacity of 160 MW on the Land; (f) Assignment by our Company of its right/ title and interest by way of first charge in, to and under all government approvals and insurance policies of our Company; (g) Pledge of 51% of the equity share capital of our Company held by our Promoters; and (h) An irrevocable and unconditional joint and several personal guarantee(s) from our Promoters.	
Andhra Bank, Bank of Baroda, Corporation Bank, Indian Bank and Union Bank of India	(a) Working Capital Consortium Agreement dated July 28, 2010 for sanctioning of working capital facilities, in Indian or foreign currency, by way of overdrafts, cash credits, pre-shipment and post-shipment credit, opening	21,213.00 (The share of each lender is as follows: (a) Andhra Bank = 4,450.00 (b) Bank of Baroda = 1,463.00 (c) Corporation Bank = 4,850.00	10,186.06	(a) As per the respective lender's instructions and/or RBI guidelines from time to time. (b) Penal interest on over drawings and/or irregularities and/or non compliance	(a) First charge by way of hypothecation and/or pledge of our Company's current assets, not relating to plant and machinery (consumable stores and spares), bills receivable and book debts and all other	Repayment to the respective lenders forthwith on demand together with the applicable interest, costs, charges etc.

Name of the lenders	Loan Documentation	Facility	Amount outstanding on July 31, 2010	Interest/ Commission Rate % (p.a.)	Security/ Margin	Repayment schedule
	of letters of credit, issuing of guarantees including deferred payment guarantees and indemnities, negotiations and discounting of demand and/ or usance bills and cheques and other facilities as agreed; (b) Inter-se agreement between the lenders; (c) Joint Deed of Hypothecation; and (d) (e) Personal Guarantee from Promoters. (*All agreements were executed on July 28, 2010*)	(d) Indian Bank = 4,150.00 (e) Union Bank of India = 6,300.00		of terms and conditions, as per the rate prescribed by respective lender members of the consortium, from time to time.	movables, both present and future; (b) Second mortgage and charge on our Company's immovable and movable properties (other than current assets), both present and future; and (c) An irrevocable and unconditional guarantee(s) from our Directors and/or others for the payment and discharge of Rs. 18,375 Lakh and interests and costs, charges and expenses and other moneys due and payable by our Company to the lenders.	
Union Bank of India	(a) Sanction letter dated March 9, 2010 (b) Term loan agreement dated March 11, 2010 for hypothecation of movables	Short term loan of Rs. 2,500.00	2,535.27	BPLR + 1.00%	Hypothecation on a *pari passu* basis of: (a) Entire plant and machinery installed at the factory building of our Company, situated at our Corporate Office; (b) All the tangible moveable machinery and plant of our Company together with spares, tools and accessories and other moveables, both present and future, whether lying loose, at our Company's premises; and (c) Godowns or	

Name of the lenders	Loan Documentation	Facility	Amount outstanding on July 31, 2010	Interest/ Commission Rate % (p.a.)	Security/ Margin	Repayment schedule
					wherever else the above mentioned plant and machinery of our Company may be or be held, to the order or disposition of our Company.	
Total		**69,713.00**	56,926.23	---	---	---

Under the terms of the above mentioned loan facilities, our Company is subject to certain restrictive covenants as listed below:

- The lenders, together, will have a right to appoint and/or remove, from time to time, one director on our Board as nominee director. Such a director shall not be liable to retire by rotation and need not possess any qualification shares.
- In case of default in payment of instalments of principal amount of the loans, interest and other monies on their respective due dates, we shall pay to the lenders on the defaulted amounts, liquidated damages at the rate of 1.00% p.a.
- The current assets cover shall not be less than 1.33 times at any point in time, in respect of the working capital facilities.
- Our Company shall obtain a NOC from the lenders for availing credit facilities from other banks for undertaking any new project, diversification, modernization or expansion of the project for which these loans have been taken or setting up/ investing in a subsidiary of our Company.
- In respect of the loan term facility agreement, our Company shall not declare or make any dividend payment during the moratorium period (i.e. a period commencing from the commercial operation date, that is July 17, 2009 till the expiry of 12 months from such date).
- Our Company shall not recognise and register any transfer of Equity Shares made or to be made by our Promoters, other than as permitted under the facility agreements.
- Our Company shall not make any investment by way of deposits, loans to our Promoters and/or any other person, bonds, share capital or in any other form other than the investment permitted under the financing documents or as may be permitted by the lenders.
- Our Company cannot, without the prior consent of the lenders, undertake, *inter alia,* any of the following:
  a. Effect a change in its capital structure;
  b. Amend, modify or supplement its Memorandum and Articles in any material manner;
  c. Declare any dividend on its share capital, if it fails to meet its obligations to pay interest and/or commission and/or instalments and/or other moneys payable to the lenders, so long as it is in such default;
  d. Take any action of merger or consolidation, reorganisation or amalgamation; or for sale, or lease, transfer or otherwise dispose of any secured properties;
  e. Implement any scheme of expansion/diversification/modernisation other than incurring routine capital expenditure;
  f. Change its name or change the location of its offices;
  g. Materially alter the scope of the project for which the loan facility is availed;
  h. Prepay any facility or debt availed by it;
  i. Revalue its project assets;
  j. Make any corporate investments by way of share capital or debentures or lend or advance funds to or place deposits with, any other concern except vide normal trade credits or place on security deposits in the normal course of business or make advance

to employees; provided that our Company may make such investments by way of deposits or advances that are required statutorily to be made as per the existing laws of the country or the rules or regulations or guidelines issued from time to time by the authorities concerned;

k. Undertake guarantee obligations on behalf of any third party or any other company;
l. The moneys brought in by the principal shareholders/ Directors/ depositors/ other associate firms/ for financing the programmes and the working capital needs of our Company will not be allowed to be withdrawn;
m. Effect a change in composition of our board of directors;
n. Make any substantial change in its management set-up;
o. Enter into borrowing arrangements with any bank/financial institution/company;
p. Create further security on the assets secured nor remove any secured property; and
q. Compound or release any of the book-debts nor do anything whereby the recovery of the same may be impeded, delayed or prevented.

B. Unsecured Borrowing

Mr. Bhushan Kumar Gupta has given Rs. 500 Lakh and Mr. Hulas Rahul Gupta has given Rs. 200 Lakh as interest free, unsecured loans to our Company during March 2010.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below there are no outstanding litigation, suits, criminal or civil prosecutions, statutory or legal proceedings including those for economic offences, tax liabilities, show cause notices or legal notices pending against our Company, Directors and our Promoters or ventures with which our Promoters were associated in the past (in case our Promoters' names continue to be associated with the particular litigation), and there are no defaults including non-payment of statutory dues, over-dues to banks/financial institutions, defaults against banks/financial institutions, defaults in dues payable to holders of any debenture, bonds and fixed deposits issued by our Company, defaults in creation of full security as per the terms of issue/other liabilities, proceedings initiated for economic/civil/any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part 1 of Schedule XIII of the Companies Act) other than unclaimed liabilities of our Company except as stated below, and no disciplinary action has been taken by SEBI or any stock exchange against our Company, our Directors, our Promoters or group companies with which our Promoters were associated in the past but are no longer associated (in case our Promoters' names continues to be associated with the particular litigation). Unless stated to the contrary, the information provided below is as of the date of this Red Herring Prospectus.

Neither our Company nor our Promoters or Directors or group companies with which our Promoters were associated in the past but are no longer associated (in case our Promoters' names continues to be associated with the particular litigation), have been declared as wilful defaulters by the RBI, or any other Governmental authority other than as disclosed below and there are no violations of securities laws committed by them in the past or pending against them.

I. Contingent liabilities not provided for as of March 31, 2010:

As at March 31, 2010, the Company has contingent liability of Rs. 1,151.61 Lakh, in the form of outstanding bills discounted with banks.

II. Litigation involving our Company

A. Outstanding Litigation and Material Developments/Proceedings involving/ affecting our Company

1. Outstanding Litigation/ Proceedings filed against our Company

There are no outstanding legal proceedings filed against our Company.

2. Outstanding Litigation/ Proceedings filed by our Company

Our Company has filed a caveat dated June 15, 2009 with the Registrar of Trademarks, Trademarks Registry, New Delhi requesting that our Company may be informed of the number, date and page of the journal in which the trademark "INDOSOLAR" is sought to be advertised under application no. 1795443 in the name of one Ms. Ritu Choudhary.

B. Proceedings initiated against our Company for economic or civil offences

There are no proceedings initiated against our Company for any economic or civil offences.

C. Details of past penalties imposed on our Company

There are no past penalties imposed on our Company.

D. Violations of Securities Laws

There is no proceeding/ adverse finding in respect of the persons/entities connected with our Company as regards compliance with the securities laws.

E. Potential Litigation against our Company

There are no potential litigations against our Company that we are currently aware of or in connection with which, we have received notice.

F. Material Developments since the Last Balance Sheet Date

Except as disclosed in the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" on page 117, in the opinion of our Board, there have not arisen, since the date of the last financial statements disclosed in this Red Herring Prospectus, any circumstances that materially or adversely affect or are likely to affect our profitability taken as a whole or the value of its assets or its ability to pay its material liabilities within the next 12 months.

G. Outstanding dues to small scale undertaking(s) or any other creditors

There are no outstanding dues above Rs. 1,00,000 to small scale undertaking(s) or any other creditors by our Company, for more than 30 days.

H. Outstanding Litigation against other companies whose outcome could have an adverse effect on our Company

There are no outstanding litigation, suits, criminal or civil prosecutions, statutory or legal proceedings including those for economic offences, tax liabilities, show cause notices or legal notices pending against any company whose outcome could have a material adverse effect on the position of our Company.

III. Litigation against the Directors of our Company

A. Outstanding Litigation and Material Developments/Proceedings against our Directors

There are no outstanding litigation involving our Directors including criminal prosecutions or civil proceedings involving our Directors, and there are no material defaults, non-payment of statutory dues, over dues to banks/financial institutions or defaults against banks/financial institutions by our Directors (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (i) of part 1 of Schedule XIII of the Companies Act).

B. Outstanding Litigation and Material Developments/Proceedings filed by our Directors

There are no pending litigations, including disputed outstanding litigations and material developments/proceeding filed by the Directors.

C. Proceedings initiated against the Directors for economic and civil offences

There are no proceedings initiated against the Directors for any economic and civil offences.

D. Details of past penalties imposed on our Directors

There are no past penalties imposed on the Directors.

IV. Litigation involving our Subsidiary

As on the date of filing of this Red Herring Prospectus, our Company does not have any subsidiary.

V. Outstanding Litigation and Material Developments/Proceedings involving our Promoters

There is no outstanding litigation involving our Promoters, including criminal prosecutions or civil proceedings involving our Promoters, and there are no material defaults, non-payment of statutory dues, over dues to banks/financial institutions or defaults against banks/financial institutions and dues towards instrument holders such as debt instrument holders, fixed deposits and arrears on cumulative preference shares by our Promoters (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (i) of part 1 of Schedule XIII of the Companies Act.

A. Litigation involving Promoters

Outstanding Litigation and Material Developments/Proceedings against our Promoter

There is no outstanding litigation against our Promoters.

Outstanding Litigation and Material Developments/Proceedings filed by our Promoters

There is no outstanding litigation initiated by our Promoters.

B. Details of past penalties imposed on our Promoters

There are no past penalties imposed on our Promoters.

C. Proceedings initiated against our Promoters for economic offences or civil offences

There are no proceedings initiated against our Promoters for any economic offences or civil offences.

D. Disciplinary Action

No disciplinary action has been taken against our Promoters by SEBI or any recognised stock Exchanges.

E. Litigation/Defaults in respect of companies/firms/ventures with which our Promoters were associated in the Past

There is no outstanding litigation/defaults in respect of Group Companies with which our Promoters were associated in the past (in case their name continues to be associated with the particular litigation).

F. Violations of Securities Laws

There is no proceeding/ adverse finding in respect of the persons/entities connected with our Promoters as regards compliance with the securities laws.

VI. Litigation involving our Group Companies and entities

We do not have any Group Companies and entities.

GOVERNMENT AND OTHER APPROVALS

In view of the approvals listed below, our Company can undertake this Issue and our current business activities and no further major approvals from any governmental or regulatory authority or any other entity are required to undertake this Issue or continue our business activities. Unless otherwise stated, these approvals are all valid as of the date of this Red Herring Prospectus. For further details in connection with the regulatory and legal framework within which we operate, see the section titled "Regulations and Policies" on page 76.

Approvals related to this Issue

1. In-principle approval from the NSE dated February 23, 2010.

2. In-principle approval from the BSE dated March 2, 2010.

3. The Board has, pursuant to its resolution dated January 7, 2010, authorised this Issue.

4. The shareholders of our Company have, pursuant to their resolution dated January 7, 2010, authorised this Issue.

5. Our Board, pursuant to a resolution of its duly constituted committee dated September 4, 2010, approved this Red Herring Prospectus.

Our Company has also obtained necessary contractual approvals required for this Issue.

For further details in this regard, see the sections titled "Regulations and Policies" and "Issue Procedure" on pages 76 and 171 respectively.

Business Approvals

We have received the following significant Government and other approvals pertaining to our business, conducted by our Company:

S. No.	Approval Granted	Authority	Reference / Registration Number	Date Granted	Validity
Company related approvals					
1.	In-principal approval for assistance under the Special Incentive Package Scheme	Deprtment of Information & Technology, GoI	N.A.	June 01, 2009	--[#]
2.	Consent under the Water (Prevention and Control of Pollution) Act, 1974	Regional Officer, Uttar Pradesh Pollution Control Board	47/10	April 28, 2010	with effect from April 22, 2010 till December 31, 2010
3.	Consent under the Air (Prevention and Control of Pollution) Act, 1974	Regional Officer, Uttar Pradesh Pollution Control Board	47/10	April 28, 2010	with effect from April 22, 2010 till December 31, 2010
4.	No objection certificate in relation to fire safety of the Corporate Office	Chief Fire Fighting Officer, Gautam Budh Nagar	Renewal/CFO/ GBN-09/524	April 30, 2010	April 29, 2011
5.	License for storage of 90 kilolitre of Petroleum in Class B in bulk	Deputy Chief Controller of Explosives, Ministry of Commerce and Industries	P/HQ/UP/15/4765(P221223)	February 20, 2009	February 19, 2011
6.	No objection certificate towards establishment of a new unit subject to production of 750,000 solar cell units per year	Member Secretary, Uttar Pradesh Pollution Control Board, Lucknow	F38293C-1/N/N.O.C.-623/2008	September 12, 2008	N.A.

S. No.	Approval Granted	Authority	Reference / Registration Number	Date Granted	Validity
7.	Permission to store specified chemicals to be used as raw materials.	Regional Officer, Uttar Pradesh Pollution Control Board, Noida	6321/C/R-271/2009	March 31, 2009	N.A.
8.	Setting up of a unit under 100.00% EOU Scheme for Solar Photovoltaic Cells and Modules	Assistant Development Commissioner, Noida Special Economic Zone, Noida	F. No.12-418/2008-100%EOU/8395	October 15, 2008	October 14, 2011
9.	IEM Acknowledgement for manufacture of Photo Voltic Cell Module	Under Secretary, GoI	1861/SIA/IMO/2008	June 23, 2008 (amended by letter dated August 11, 2008)	N.A.
10.	No objection certificate under Indian Electricity Rules, 1956 towards operating four gensets having capacity of 1,500.00 KVA each	Deputy Director, Electric Safety, Ghaziabad	1899/V.S.N./G.bad Region/Section-30/Generator/M	January 24, 2009	N.A.
11.	Inspection certificate in relation to two lifts installed at Corporate Office	Assistant Director, Electric Safety, Ghaziabad Zone, U.P.	Camp/VSN/G.bad Zone/Life A./N.	May 21, 2009	May 20, 2014
12.	Ocuupacy certificate of Industrial building erected on Plot No 3C/1, Ecotech – II Sector, Udhyog Vihar.	D.G.M (Planning), Greater Noida Indsutrial Development Authority	PLG/(BP)1272.C-12841	September 7, 2009	--
Labour related approvals					
13.	Registration and Licence to work a factory under the Factories Act, 1948	Assistant Director, Factories, Uttar Pradesh	NDA-4330	February 7, 2009	December 31, 2010
14.	Earmarking of factory, and permission for usage of 6,480 horse power in the factory	Assistant Director, Factories, Uttar Pradesh	700F/Rekha./Sm.	February 5, 2009	N.A.
15.	Grant of employee provident fund code under Employee Provident Fund and Miscellaneous Provisions Act, 1952 bearing code number U.P.45744	Assistant Provident Fund Commissioner, Employees Provident Fund Organisation, Noida	8078/Coverage/UP/45744	March 18, 2009	N.A.
16.	Allotment of ESI code under Employee State Insurance Act, 1948 bearing number 67-14663-90	Assistant Director, Employee State Insurance Corporation, Noida	67/N/Noida/SRO/NC/67-14663-90	March 25, 2009	N.A.
17.	Certificate of Registration under the Contract Labour (Regulation and Abolition) Act, 1970	Deputy Labour Commissioner, Gautam Budh Nagar, Uttar Pradesh	927/09	December 17, 2009	N.A.
Tax related approvals					
18.	Import Export Code bearing number 4107000443	Deputy Development Commissioner, Noida	12-418/2008-100%EOU	October 27, 2008	N.A.

S. No.	Approval Granted	Authority	Reference / Registration Number	Date Granted	Validity
19.	Permanent Account Number being AADCR2872D	Income Tax Department, GoI	NIL	August 13, 2008	N.A.
20.	Tax Deduction Account Number being DELR15134A	Income Tax Department, GoI	NIL	May 8, 2007	N.A.
21.	Certificate of Registration under Uttar Pradesh Value Added Tax Rules, 2007 for Tax Identification Number being 09766194738	Assistant Commissioner (Registration), Gautam Budh Nagar	NIL	August 7, 2008	N.A.
22.	Certificate of Registration under Central Sales Tax Act, 1956 for Tax Identification Number being 09766194738 (Central)	Assistant Commissioner (Registration), Gautam Budh Nagar	NIL	August 7, 2008	N.A.
23.	Certificate of Registration under the Finance Act, 1994 bearing registration number AADCR2872DST001	Superintendent, Service Tax, Noida	NIL	January 23, 2009	N.A.
24.	Certificate of Registration under the Central Excise Rules, 2002 for operating Export Oriented Unit bearing registration number AADCR2872DXM001	Assistant Commissioner, Customs & Central Exercise, Noida	NIL	October 31, 2008	September 30, 2010
25.	License for private custom bonded warehouse for SPV Cells and Modules	Assistant Commissioner, Customs & Central Exercise, Noida	C.No.VIII(30) Cus/100%/EOU/Robin Solar/N-IV/913/08/7986	October 31, 2008	N.A.

[#] Pursuant to achieving financial closure of over Rs. 1,00,000 Lakh, our Company has made an application dated March 31, 2010 to the Ministry of Communications and Information Technology for conversion of the in-principle approval into formal approval. For details, see the table ‘Approvals applied for’ below.

Approvals applied for

S. No.	Approval applied for	Authority	Reference / Registration / Receipt Number	Date of application
1.	Application for formal approval under the Special Incentive Package Scheme	Senior Director, Ministry of Communications and Infromation Technology, Department of Infromation Technology	---	March 31, 2010
2.	Application for registration of the “INDOSOLAR” trademark in Class – 11	Trade Marks Registry, New Delhi	747532	December 23, 2009

Approvals required but yet to be applied for

Nil

Approvals cancelled

Nil

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for this Issue

Our Board has, pursuant to its resolution dated January 7, 2010, authorised this Issue, subject to the approval by the shareholders of our Company under Section 81(1A) of the Companies Act. The shareholders of our Company have authorised this Issue by their special resolution passed pursuant to Section 81(1A) of the Companies Act, at its EGM held on January 7, 2010 and authorised the Board to take decisions in relation to this Issue. Our Board, pursuant to a resolution of its duly constituted committee dated September 4, 2010, approved this Red Herring Prospectus.

We have obtained all necessary governmental, regulatory consents and approvals and have received all necessary contractual consents required for this Issue. For further details, see the section titled "Government and Other Approvals" on page 148.

For further details regarding the requirement for the said approval and other ancilliary matters in this regard, see the sections titled "Regulations and Policies", "Government and Other Approvals" and "Issue Procedure" on pages 76, 148 and 171, respectively.

Prohibition by RBI or governmental authorities

None of our Company, our Promoters, Promoter Group or ventures with which our Promoters were associated in the past and relatives of our Promoters, have been declared as wilful defaulters by the RBI or any other governmental authority and there has been no violation of any securities law committed by any them in the past and no such proceedings are currently pending against any of them.

Our Company, our Directors, our Promoters, the members of our Promoter Group, the persons in control of our Company and the companies with which our Directors, Promoters are associated as directors or promoters or persons in control have not been prohibited from accessing or operating in the capital markets for any reasons by the Board or any other authorities.

None of our Directors are associated with the securities market in any manner.

Eligibility of our Company

Our Company has and shall continue to, be in compliance with the following conditions specified under Regulation 4(2) of the SEBI Regulations:

(i) Our Company, our Directors, our Promoter, Promoter Group and the persons in control of our Company have not been debarred from accessing the capital market by SEBI;
(ii) None of our Promoters, Directors or persons in control of the Company were or are also promoter, director or person in control of any other company which is debarred from accessing the capital market under any order or directions made by SEBI;
(iii) Our Company has applied to the NSE and the BSE for obtaining their in-principle listing approval for listing of the Equity Shares under this Issue, and has received the in-principle approvals from the NSE and the BSE pursuant to their letters dated February 23, 2010 and March 2, 2010, respectively. For the purposes of this Issue, the National Stock Exchange of India Limited shall be the Designated Stock Exchange;
(iv) Our Company has entered into a tripartite agreement dated February 24, 2010 with NSDL and the Registrar to the Issue for dematerialisation of the Equity Shares being offered in this Issue and a tripartite agreement dated February 19, 2010 with CDSL and the Registrar to the Issue for dematerialisation of the Equity Shares being offered in this Issue.
(v) The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing this Red Herring Prospectus; and
(vi) The entire cost of the Objects is expected to be met from the Net Proceeds including the amount received pursuant to the Pre-IPO Placement. For further details in this regard, see the section titled "Objects of the Issue" on page 32.

Our Company is an unlisted company, not complying with the conditions specified in Regulation 26(1) of the SEBI Regulations.

Regulation 26(1) of the SEBI Regulations provides that a company may make an initial public offering if:

(A) it has net tangible assets of at least Rs. 300 Lakh in each of the preceding three full years (of twelve months each), of which not more than fifty per cent are held in monetary assets. Provided that if more than fifty per cent of the net tangible assets are held in monetary assets, the issuer has made firm commitments to utilise such excess monetary assets in its business or project.

(B) it has a track record of distributable profits in terms of Section 205 of the Companies Act, for at least three out of the immediately preceding five years. Provided that, extraordinary items shall not be considered for calculating distributable profits.

(C) it has a net worth of at least Rs. 100 Lakh in each of the preceding three full years (of twelve months each).

(D) the aggregate of the proposed issue and all previous issues made in the same financial year in terms of issue size does not exceed five times its pre-issue net worth as per the audited balance sheet of the preceding financial year.

(E) if it has changed its name within the last one year, at least fifty per cent of the revenue for the preceding one full year has been earned by it from the activity indicated by the new name.

Our Company has net tangible assets of Rs. 246.84 Lakh in Fiscal 2008, Rs. 6,971.32 Lakh in Fiscal 2009 and Rs. 65,279.96 in Fiscal 2010 and the net worth of the Company is Rs. (70.53) Lakh in Fiscal 2008, Rs. 17,471.42 Lakh in Fiscal 2009 and Rs. 14,376.01 Lakh in Fiscal 2010. Further, our Company does not have a track record of distributable profits in terms of Section 205 of the Companies Act, for at least three out of the immediately preceding five years. Since, our Company does not have net tangible assets of at least Rs. 300 Lakh in each of the preceding three full years nor does it have a track record of distributable profits profits in terms of Section 205 of the Companies Act, for at least three out of the immediately preceding five years and does not have net worth of at least Rs. 100 Lakh in each of the three preceeding full years, our Company is not in compliance with Regulation 26(1)(a) and (b) of the SEBI Regulations.

Since we are not in compliance with Regulation 26(1)(a) and (b) of the SEBI Regulations, we are required to meet both the conditions detailed in Regulation 26(2)(a) and Regulation 26(2)(b) of the SEBI Regulations.

Regulation 26(2) of the SEBI Regulations states as follows:

"*An issuer not satisfying any of the conditions stipulated in sub-regulation (1) may make an initial public offer if:*

(a) (i) the issue is made through the book building process and the issuer undertakes to allot at least fifty per cent of the net offer to public to qualified institutional buyers and to refund full subscription monies if it fails to make allotment to the qualified institutional buyers ;

OR

(ii) at least fifteen per cent of the cost of the project is contributed by scheduled commercial banks or public financial institutions, of which not less than ten per cent shall come from the appraisers and the issuer undertakes to allot at least ten per cent of the net offer to public to qualified institutional buyers and to refund full subscription monies if it fails to make the allotment to the qualified institutional buyers;

(b) (i) the minimum post-issue face value capital of the issuer is ten crore rupees;

OR

(ii) the issuer undertakes to provide market-making for at least two years from the date of listing of the specified securities, subject to the following:

a. the market makers offer buy and sell quotes for a minimum depth of three hundred specified securities and ensure that the bid-ask spread for their quotes does not, at any time, exceed ten per cent.;

b. *the inventory of the market makers, as on the date of allotment of the specified securities, shall be at least five per cent of the proposed issue*."

Accordingly, in compliance with Regulation 26(2) of the SEBI Regulations, this Issue is being made through the Book Building Process, with at least 50% of the Issue is being proposed to be allocated to QIB Bidders. In case we do not receive subscriptions of at least 50% of the Issue from QIBs, we shall refund the subscription monies forthwith.

Our Company will comply with the second proviso to Regulation 43(2)(c) of the SEBI Regulations and not less than 15% and 35% of the Issue shall be available for allocation to Non-Institutional Bidders and Retail Individual Bidders, respectively.

The post-Issue face value capital of our Company shall be Rs. [●] Lakh, which is more than the minimum requirement of Rs. 1,000 Lakh. Hence, we are eligible under Regulation 26(2)(b)(i) of the SEBI Regulations.

Further, in accordance with Regulation 26(4) of the SEBI Regulations, we shall ensure that the number of Allottees shall be not less than 1,000; otherwise, the entire application money raised in this Issue will be refunded. In case of delay, if any, in refund, our Company shall pay interest on the application money at the rate of 15% p.a. for the period of delay.

Our Company may, in consultation with the Book Running Lead Manager, allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Price on a discretionary basis, out of which at least one-third will be available for allocation to domestic Mutual Funds only. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs, subject to valid Bids being received from them at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIBs in proportion to their Bids.

Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

Under-subscription, if any, in the Retail Portion or the Non-Institutional Portion would be met with spill-over from other category, at the sole discretion of our Company, in consultation with the Book Running Lead Manager.

Disclaimer Clause of SEBI

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER, ENAM SECURITIES PRIVATE LIMITED, HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGER, ENAM SECURITIES PRIVATE LIMITED, IS

EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED JANUARY 13, 2010 WHICH READS AS FOLLOWS:

1. **"WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THIS DRAFT RED HERRING PROSPECTUS ("DRHP") PERTAINING TO THE SAID ISSUE;**

2. **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER;**

WE CONFIRM THAT:

(A) THE DRAFT RED HERRING PROSPECTUS FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;

(B) ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY THE SEBI, THE GOVERNMENT OF INDIA AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

(C) THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.

3. **WE CONFIRM THAT ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH THE SEBI, AND THAT TILL DATE SUCH REGISTRATION IS VALID.**

4. **WE HAVE SATISFIED OURSELVES ABOUT THE WORTH OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. NOTED FOR COMPLIANCE.**

5. **WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN, SHALL NOT BE DISPOSED/SOLD/TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRHP WITH THE SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRHP.**

6. **WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS' CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRHP.**

7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. – N.A.

8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.

9. WE CONFIRM THAT NECESSARY ARRANGEMENTS WILL BE MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THIS ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SECTION 73(3) OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT TO BE ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION. – NOTED FOR COMPLIANCE

10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THIS DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. – N.A.

11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.

12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THIS DRAFT RED HERRING PROSPECTUS:

(A) AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER; AND

(B) AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.

13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.

14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED

BUSINESS STANDS, THE RISK FACTORS, PROMOTERS' EXPERIENCE, ETC. - REFER ANNEXURE A.

15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THIS DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY."

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER SECTION 63 AND SECTION 68 OF THE COMPANIES ACT OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGER, ANY IRREGULARITIES OR LAPSES IN THIS DRHP.

All legal requirements pertaining to this Issue will be complied with at the time of filing of this Red Herring Prospectus with the RoC in terms of Section 60B of the Companies Act. All legal requirements pertaining to this Issue will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 56, 60 and 60B of the Companies Act.

Disclaimer from the Company, the Directors and the Book Running Lead Manager

Our Company, the Directors and the Book Running Lead Manager accept no responsibility for statements made otherwise than those contained in this Red Herring Prospectus or in any advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website www.indosolar.co.in, or the website of our Promoter Group or of any affiliate or associate of our Company, would be doing so at his or her own risk.

Caution

The Book Running Lead Manager accept no responsibility, save to the limited extent as provided in the issue agreement entered into among the Book Running Lead Manager and our Company on January 12, 2010 and the Underwriting Agreement to be entered into between the Underwriters and our Company.

All information shall be made available by our Company and the Book Running Lead Manager to the public and investors at large and no selective or additional information would be made available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports, at Bidding Centres or elsewhere.

Neither our Company nor the Book Running Lead Manager are liable to the Bidders for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Bidders will be required to confirm and will be deemed to have represented to our Company and the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares and will not issue, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.

The Book Running Lead Manager and its affiliates may engage in transactions with, and perform services for, our Company and its affiliates in the ordinary course of business and have engaged, or may in the future engage, in transactions with our Company and its affiliates, for which they have received, and may in the future receive, compensation.

Disclaimer in Respect of Jurisdiction

This Issue is being made in India to persons resident in India, including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, public financial institutions as specified in section 4A of the Companies Act, scheduled commercial banks, Mutual Funds, multilateral and bilateral development financial institutions, VCFs, FVCIs, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, NIF, provident funds with minimum corpus of Rs. 2,500 Lakh, pension funds with minimum corpus of Rs. 2,500 Lakh and insurance funds set up and managed by army, navy or air force of the Union of India in accordance with applicable law, permitted Non-Residents including FIIs, their Sub-Accounts (other than Sub-Accounts which are foreign corporates or foreign individuals bidding under the QIB Portion) and Eligible NRIs and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to hold the Equity Shares.

This Red Herring Prospectus will not, however, constitute an offer to sell or an invitation to subscribe for Equity Shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in New Delhi, India only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that the Draft Red Herring Prospectus has been filed with the SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Red Herring Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the US Securities Act of 1933 (the "Securities Act") or any state securities laws in the United States and are being offered or sold only outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Disclaimer clause of the BSE

As required, a copy of the Draft Red Herring Prospectus has been submitted to the BSE. BSE has given vide its letter dated March 2, 2010, permission to us to use BSE's name in this Red Herring Prospectus and the Prospectus as one of the stock exchanges on which the Company's securities are proposed to be listed. BSE has scrutinised the Draft Red Herring Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Company. BSE does not in any manner:

- warrant, certify or endorse the correctness or completeness of any of the contents of the Red Herring Prospectus or Prospectus; or
- warrant that the Company's securities will be listed or will continue to be listed on BSE; or
- take any responsibility for the financial or other soundness of the Company, its promoters, its management or any scheme or project of the Company;

and it should not for any reason be deemed or construed to mean that this Red Herring Prospectus or Prospectus has been cleared or approved by BSE. Every Person who desires to apply for or otherwise acquires any securities of the Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against BSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Disclaimer clause of the NSE

As required, a copy of the Draft Red Herring Prospectus has been submitted to NSE. NSE has given vide its letter ref.: NSE/LIST/131342-V dated February 23, 2010, permission to the Company to use NSE's name in this Red Herring Prospectus and the Prospectus as one of the stock exchanges on which the Company's securities are proposed to be listed. The NSE has scrutinised the Draft Red Herring Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Company. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the Draft Red Herring Prospectus has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Draft Red Herring Prospectus; nor does it warrant that the Company's securities will be listed or will continue to be listed on the NSE; nor does it take any responsibility for the financial or other soundness of the Company, its promoter, its management or any scheme or project of the Company.

Every person who desires to apply for or otherwise acquires any of the Company's securities may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the NSE whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/ acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

Filing

A copy of the Draft Red Herring Prospectus has been filed with the SEBI at the Securities and Exchange Board of India, SEBI Bhavan, G Block, 3rd Floor, Bandra Kurla Complex, Bandra (E), Mumbai 400 051, India.

A copy of this Red Herring Prospectus, along with the other documents required to be filed under Section 60B of the Companies Act, will be delivered for registration with the RoC at the office of the RoC and a copy of the Prospectus to be filed under Section 60 of the Companies Act will be delivered for registration with the RoC.

Listing

Applications have been made to the Stock Exchanges for permission to deal in, and for an official quotation of the Equity Shares. The National Stock Exchange of India Limited will be the Designated Stock Exchange with which the 'Basis of Allocation' will be finalised.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of this Red Herring Prospectus. If such money is not repaid within eight days after our Company becomes liable to repay it, i.e. from the date of refusal or within 15 days from the Bid Closing Date, whichever is earlier, then our Company and every Director of our Company who is an officer in default shall, on and from such expiry of eight days, be jointly and severally liable to repay the money, with interest at the rate of 15% p.a. on application money, as prescribed under Section 73 of the Companies Act.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above are taken within 12 Working Days of the Bid Closing Date.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68A of the Companies Act, which is reproduced below:

"*Any person who:*

(a) *makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or*

(b) *otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name*

*shall be punishable with imprisonment for a term which may extend to five years.***"**

Consents

Consents in writing of: (a) the Directors, the Company Secretary and Compliance Officer, the Book Running Lead Manager, the Auditor, the lenders of our Company, the domestic legal counsel to Issue, the Bankers to our Company, the IPO Grading Agency; and (b) the Escrow Collection Banks, the Bankers to the Issue, and the Registrar to the Issue to act in their respective capacities, have been obtained and would be filed along with a copy of this Red Herring Prospectus with the RoC as required under Sections 60 and 60B of the Companies Act and such consents will not have been withdrawn up to the time of delivery of this Red Herring Prospectus for registration with the RoC.

In accordance with the Companies Act and the SEBI Regulations, M/s. B S R and Associates, Chartered Accountants have agreed to provide their written consent to the inclusion of their report on financial statements and report relating to the possible general and special tax benefits, as applicable, accruing to our Company and its shareholders, included in this Red Herring Prospectus in the form and context in which they appear in this Red Herring Prospectus and such consent and report has not been withdrawn up to the time of delivery of this Red Herring Prospectus and will not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

CRISIL Limited, the agency engaged by our Company for the purpose of obtaining IPO grading in respect of this Issue, has given its written consent to the inclusion of their report in the form and context in which it appears in Annexure A to this Red Herring Prospectus and such consent and report will not be withdrawn up to the time of delivery of this Red Herring Prospectus and the Prospectus to the RoC.

Expert Opinion

Except for the report provided by the IPO Grading Agency, a copy of which has been annexed to this Red Herring Prospectus as Annexure A and the report of our Auditors, M/s. B S R and Associates, Chartered Accountants dated June 7, 2010 in respect of the information in the section "Financial Information" and "Statement of Tax Benefits", our company has not obtained any other expert opinions.

Issue related Expenses

The details of the estimated Issue related expenses are as follows:

(Rs. Lakh)

Activity	Estimated expenses*	As a % of the total estimated Issue expenses	As a % of the total Issue size
Fees payable to the Book Running Lead Manager	[•]	[•]	[•]
Advertising and marketing expenses	[•]	[•]	[•]
Fees payable to the Registrar	[•]	[•]	[•]
Fees payable to the Bankers to the Issue	[•]	[•]	[•]
Underwriting commission, brokerage and selling commission	[•]	[•]	[•]
Fee payable to SCSB	[•]	[•]	[•]
IPO Grading expense	[•]	[•]	[•]
Others (legal fees, listing fees, printing and stationery expenses etc.)	[•]	[•]	[•]
Total estimated Issue expenses	[•]	[•]	[•]

[*]Will be included upon finalization of the Issue Price.

Fees, Brokerage and Selling Commission Payable to the Book Running Lead Manager

The total fees payable to the Book Running Lead Manager (including underwriting commission and selling commission) will be as per its engagement letter issued by our Company, a copy of which will be made available for inspection at our Registered and Corporate Office from 10.00 am to 4.00 pm on Working Days from the date of this Red Herring Prospectus until the Bid Closing Date.

Fees Payable to the Registrar to the Issue

The fees payable to the Registrar to the Issue for processing of application, data entry, printing of CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the memorandum of understanding dated January 09, 2010, signed with our Company and the Registrar to the Issue.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to send refund orders or Allotment advice by registered post/speed post/under certificate of posting.

IPO Grading

This Issue has been graded by CRISIL Limited and has been assigned the "3/5" indicating average fundamentals, through its letter dated July 11, 2010, valid for a period of 60 days from the date of issue of the letter. The IPO grading is assigned on a five point scale from 1 to 5 wherein an **"**IPO Grade 5" indicates strong fundamentals and an "IPO Grade 1" indicates poor fundamentals. A copy of the report provided by the IPO Grading Agency, furnishing the rationale for its grading has been annexed to this Red Herring Prospectus as Annexure A and will be made available for inspection at our Registered and Corporate Office from 10.00 a.m. to 4.00 p.m. on Working Days from the date of the Red Herring Prospectus until the Bid Closing Date.

Summary of rationale for grading by the IPO Grading Agency

For details in relation to the rationale furnished by the IPO Grading Agency, see the section titled "Annexure A" on page 219.

Disclaimer of IPO Grading Agency

"A CRISIL IPO grading is a one-time assessment and reflects CRISIL's current opinion on the fundamentals of the graded equity issue in relation to other listed equity securities in India. A CRISIL IPO grading is neither an audit of the issuer by CRISIL nor is it a credit rating. Every CRISIL IPO grading is based on the information provided by the issuer or obtained by CRISIL from sources it considers reliable. CRISIL does not guarantee the completeness or accuracy of the information on which the grading is based. A CRISIL IPO grading is not a recommendation to buy / sell or hold the graded instrument; it does not comment on the issue price, future market price or suitability for a particular investor.

CRISIL is not responsible for any errors and especially states that it has no financial liability whatsoever to the subscribers / users / transmitters / distributors of CRISIL IPO gradings. For information on any IPO grading assigned by CRISIL, please contact 'Client Servicing' at +91-22- 33423561, or via email: clientservicing@crisil.com.

For more information on CRISIL IPO gradings, please visit http://www.crisil.com/ipo-gradings"

Public issues/ capital issue or rights issue since incorporation

Our Company has not made any public or rights issue since incporation.

Previous issues of Equity Shares otherwise than for cash

Except as stated in the section titled “Capital Structure” on page 19, our Company has not issued any shares for consideration other than cash.

Underwriting commission, brokerage and selling commission on Previous Issues

There has been no public issue of the Equity Shares in the past. Thus, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our Company’s inception.

Performance vis-à-vis objects

Our Company has not made any public or rights issue since incorporation**.**

Outstanding Debentures or Bond Issues or Preference Shares

Our Company has no debentures or bonds or redeemable preference shares as of the date of this Red Herring Prospectus.

Stock Market Data of the Equity Shares

This being an initial public issue of our Company, the Equity Shares are not listed on any stock exchange and hence no stock market data is available.

Mechanism for Redressal of Investor Grievances

The memorandum of understanding between the Registrar to the Issue and our Company will provide for retention of records with the Registrar to the Issue for a period of at least three year from the last date of dispatch of the letters of Allotment, or refund orders, demat credit or, where refunds are being made electronically, giving of refund instructions to the clearing system, to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to this Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application, Depository Participant, and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar with a copy to the relevant SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the relevant Designated Branch.

No investor complaints have been received during the immediately preceding three years prior to filing of this Red Herring Prospectus with the SEBI.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Issue for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Mr. Atul Kumar Mittal as the Company Secretary and Compliance Officer and he may be contacted in case of any pre-Issue or post-Issue-related problems. He can be contacted at the following address:

Mr. Atul Kumar Mittal
3C/1, Ecotech – II,
Udyog Vihar,
District Gautam Budh Nagar,
Greater Noida 201 306, Uttar Pradesh, India

Telephone: + 91 120 4762 500;
Facsimile: + 91 120 4762 525;
Email: atul.mittal@indosolar.co.in;

Disposal of investor grievances by listed companies under the same management as the Company

There are no other listed companies under the same management as our Company.

Change in Auditors

M/s. S. Sukheja & Associates resigned as the statutory auditor of our Company on January 15, 2008. M/s. Arun K Gupta & Associates, Chartered Accountants, were appointed as the statutory auditor of our Company on January 19, 2008, in place of M/s. S. Sukheja & Associates. Arun K Gupta & Associates, Chartered Accountants resigned on June 4, 2009. Our current Auditors, M/s. B S R and Associates, Chartered Accountants, were appointed as the statutory auditor of our Company on June 5, 2009.

Changes in the accounting policies

For changes in our accounting policy, see the section titled "Financial Information" on page F-14.

Capitalisation of Reserves or Profits

Our Company has not capitalised its reserves or profits at any time during the last five years.

Revaluation of Assets

The Land on which our plant is located was relvalued by Ravi K Sinhgal & Associates Private Limited on December 31, 2008 resulting in an increase in value of the Land by Rs. 2,273.50 Lakh. For details of the revaluation, see the section titled "Financial Information" on page F-1 of this Red Herring Prospectus. Except the foregoing, our Company has not revalued its assets since its incorporation.

Purchase of property

There is no property which we have purchased or acquired or propose to purchase or acquire which is to be paid for wholly, or in part, from the Net Proceeds or the purchase or acquisition of which would not have been completed on the date of this Red Herring Prospectus, other than property in respect of which:

(a) the contracts for the purchase or acquisition were entered into in the ordinary course of the business, and the contracts were not entered into in contemplation of this Issue nor is this Issue contemplated in consequence of the contracts; or
(b) the amount of the purchase money is not material.

SECTION VII – ISSUE INFORMATION

TERMS OF THE ISSUE

The Issue shall be subject to the provisions of the Companies Act, the Securities Contracts (Regulation) Rules, 1957, as amended., our Memorandum and Articles, the terms of this Red Herring Prospectus, the Prospectus, the Bid cum Application Form, the ASBA Form, the Revision Form, the CAN, the listing agreements with the Stock Exchanges and other terms and conditions as may be incorporated in the Allotment advices and other documents or certificates that may be executed in respect of this Issue. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RoC, the RBI and/or other authorities, as in force on the date of this Issue.

Authority for this Issue

See the section titled "Other Regulatory and Statutory Disclosures" on page 151.

Ranking of Equity Shares

The Equity Shares being issued shall be subject to the provisions of the Companies Act, our Memorandum and Articles and shall rank *pari passu* in all respects with the existing Equity Shares including rights in respect of dividend. The Allottees will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. See the section titled "Main Provisions of the Articles of Association" on page 203 for a description of our Articles.

Mode of Payment of Dividend

Our Company shall pay dividends to shareholders of our Company as per the provisions of the Companies Act and our Memorandum and Articles.

Face Value, Issue Price and Price Band

The face value of the Equity Shares is Rs. 10 each. The Floor Price of Equity Shares is Rs. 29 per Equity Share and the Cap Price is Rs. 32 per Equity Share. The Anchor Investor Issue Price is Rs. [●] per Equity Share.

At any given point of time there shall be only one denomination for the Equity Shares.

Compliance with Regulations issued by SEBI

Our Company shall comply with all applicable disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the provisions of our Articles, the shareholders of our Company shall have the following rights:

- The right to receive dividends, if declared;
- The right to attend general meetings and exercise voting powers, unless prohibited by law;
- The right to vote on a poll either in person or by proxy;
- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to receive any surplus on liquidation subject to any statutory and other preferential claims being satisfied;
- The right to freely transfer their Equity Shares; and

- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the listing agreements executed with the Stock Exchanges, and our Memorandum and Articles.

For a detailed description of the main provisions of our Articles relating to voting rights, dividend, forfeiture and lien, transfer and transmission, and/or consolidation/splitting, see the section titled "Main Provisions of the Articles of Association" on page 203.

Market Lot and Trading Lot

In terms of Section 68B of the Companies Act, the Equity Shares shall be Allotted only in dematerialised form. As per the applicable law and the SEBI Regulations, the trading of our Equity Shares shall only be in dematerialised form. Since trading of our Equity Shares will be in dematerialised form, the tradable lot is one Equity Share. Allotment will be only in electronic form in multiples of 200 Equity Shares, subject to a minimum Allotment of 200 Equity Shares.

Joint Holders

Where two or more persons are registered as the holders of any Equity Share, they shall be deemed to hold the same as joint tenants with benefits of survivorship, subject to provisions contained in the Articles.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts in Mumbai.

Nomination Facility to Investor

In accordance with Section 109A of the Companies Act, the sole or First Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of the sole Bidder or in case of joint Bidders, the death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which such person would be entitled if such person were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to the Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale, transfer of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office and Corporate Office or with the Registrar to the Issue and transfer agents of our Company.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of Section 109A of the Companies Act, shall, upon the production of such evidence as may be required by the Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment will be made only in dematerialised form, there is no need to make a separate nomination with our Company. Nominations registered with the respective Depository Participant of the applicant will prevail. If the investors require to change their nomination, they are requested to inform their respective Depository Participant.

Bidding Period

Bidders may submit their Bids only during the Bidding Period. The Bid Opening Date is September 13, 2010 and the Bid Closing Date is September 15, 2010. The Anchor Investors may submit their Bids only on the Anchor Investor Bidding Date i.e., on [●].

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue, including devolvement to the Underwriters within 60 days from the Bid Closing Date, we shall forthwith refund the entire subscription amount received. If there is a delay beyond eight Working Days after our Company becomes liable to pay the amount (i.e., 10 Working Days after the Bid Closing Date or the date of refusal by the Stock Exchange(s), whichever is earlier), we shall pay interest prescribed under Section 73 of the Companies Act.

Further, in accordance with Regulation 26(4) of the SEBI Regulations, our Company shall ensure that the number of successful Bidders will not be less than 1,000. If at least 50% of the Issue is not subscribed by QIBs, then the entire application money raised in this Issue will be refunded.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States and may not be offered or sold within the United States (as defined in Regulation S under the Securities Act), except pursuant to an exemption from or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Application by Eligible NRIs, FIIs, Sub-Accounts and FVCIs.

It is to be distinctly understood that there is no reservation for NRIs and FIIs, Sub-Accounts or FVCIs and other non residents.

Arrangement for disposal of Odd Lots

There are no arrangements for disposal of odd lots.

Restriction on transfer of shares

Except for the lock-in of the pre-Issue Equity Shares, and Equity Shares allotted to Anchor Investors which shall be locked-in for a period of 30 days from the date of Allotment, as detailed in the section titled "Capital Structure" on page 19 and except as provided in our Articles, as detailed in the section titled "Main Provisions of the Articles of Association" on page 203, there are no restrictions on transfers and transmission of shares/ debentures and on their consolidation/ splitting.

Allotment of Equity Shares in Dematerialised Form

Investors should note that Allotment to all successful Bidders will only be in dematerialised form. On Allotment, the Equity Shares shall be traded only in the dematerialised segment of the Stock Exchanges.

ISSUE STRUCTURE

The present public issue of [●] Equity Shares for cash at a price of Rs. [●] per Equity Share, including a share premium of Rs. [●] per Equity Share, aggregating Rs. 35,700.00 Lakh is being made through the 100% Book Building Process. The Issue will constitute [●]% of the fully diluted post Issue paid-up capital of the company.

	QIB Bidders#	**Non-Institutional Bidders**	**Retail Individual Bidders**
Number of Equity Shares available for allocation*	At least [●] Equity Shares.	Not less than [●] Equity Shares or the Issue less allocation to QIB Bidders and Retail Individual Bidders.	Not less than [●] Equity Shares or the Issue less allocation to QIB Bidders and Non-Institutional Bidders.
Percentage of Issue size available for Allotment/ allocation	At least 50% of the Issue shall be allocated to QIB Bidders. However, 5% of the Net QIB Portion shall be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the 5% reservation in the QIB Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund reservation will be available to QIBs.	Not less than 15% of the Issue or the Issue less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation.	Not less than 35% of the Issue or the Issue less allocation to QIB Bidders and Non-Institutional Bidders shall be available for allocation.
'Basis of Allocation' if respective category is oversubscribed	Proportionate as follows: (a) [●] Equity Shares shall be allocated on a proportionate basis to Mutual Funds; and (b) [●] Equity Shares shall be allocated on a proportionate basis to all QIB Bidders including Mutual Funds receiving allocation as per (a) above.	Proportionate.	Proportionate.
Minimum Bid	Such number of Equity Shares such that the Bid Amount exceeds Rs. 1,00,000 and in multiples of 200 Equity Shares thereafter	Such number of Equity Shares such that the Bid Amount exceeds Rs. 1,00,000 and in multiples of 200 Equity Shares thereafter	200 Equity Shares and in multiples of 200 Equity Shares thereafter
Maximum Bid	Such number of Equity Shares not exceeding the size of the Issue, subject to applicable limits.	Such number of Equity Shares not exceeding the size of the Issue, subject to applicable limits.	Such number of Equity Shares whereby the Bid Amount does not exceed Rs. 1,00,000.
Mode of Allotment	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.
Bid/Allotment Lot	200 Equity Shares and in multiples of 200 Equity Shares thereafter.	200 Equity Shares and in multiples of 200 Equity Shares thereafter.	200 Equity Shares and in multiples of 200 Equity Shares thereafter.
Trading Lot	One Equity Share.	One Equity Share.	One Equity Share.

	QIB Bidders[#]	Non-Institutional Bidders	Retail Individual Bidders
Who can Apply **	Public financial institutions as specified in section 4A of the Companies Act, FIIs and their Sub-Accounts (other than Sub-Accounts which are foreign corporates or foreign individuals bidding under the QIB Portion), scheduled commercial banks, Mutual Funds, multilateral and bilateral development financial institutions, VCFs, FVCIs, state industrial development corporations, insurance companies registered with the Insurance Regulatory and Development Authority, NIF, provident funds with minimum corpus of Rs. 2,500 Lakh, pension funds with minimum corpus of Rs. 2,500 Lakh and insurance funds set up and managed by army, navy or air force of the Union of India in accordance with applicable law.	Eligible NRIs, Resident Indian individuals, HUF (in the name of the *Karta*), companies, corporate bodies, scientific institutions, societies, trusts and eligible/permitted Sub-Accounts which are foreign corporates or foreign individuals bidding under the Non-Institutional Portion.	Resident Indian individuals (including HUFs in the name of the *Karta*) and Eligible NRIs applying for Equity Shares such that the Bid Amount does not exceed Rs. 1,00,000 in value.
Terms of Payment	Bid Amount shall be payable at the time of submission of Bid cum Application Form to the Book Running Lead Manager. In case of ASBA Bidders, the relevant SCSB shall be authorised to block in the Bank Account the Bid Amount mentioned in the ASBA Form.	Bid Amount shall be payable at the time of submission of Bid cum Application Form to the Book Running Lead Manager. In case of ASBA Bidders, the relevant SCSB shall be authorised to block in the Bank Account the Bid Amount mentioned in the ASBA Form.	Bid Amount shall be payable at the time of submission of Bid cum Application Form to the Book Running Lead Manager. In case of ASBA Bidders, the relevant SCSB shall be authorised to block in the Bank Account the Bid Amount mentioned in the ASBA Form.
Margin Amount	Full Bid Amount on bidding.	Full Bid Amount on bidding.	Full Bid Amount on bidding.

[*] *Subject to valid Bids being received at or above the Issue Price. This Issue is being made through a 100% Book Building Process wherein at least 50% of the Issue shall be allocated on a proportionate basis to QIBs. Our Company may allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Price on a discretionary basis, out of which at least one-third will be available for allocation to domestic Mutual Funds only. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs, subject to valid Bids being received from them at or above the Issue Price. However, if the aggregate demand from domestic Mutual Funds is less than [●] Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIBs in proportion to their Bids. Further, not less than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non-Institutional Portion and Retail Portion would be allowed to be met with spill-over from other categories at the discretion of our Company in consultation with the Book Running Lead Manager. If at least 50% of the Issue cannot be allotted to QIBs, then the entire application money will be refunded forthwith. For further details in this regard, see the section titled "Issue Procedure" on page 171.*

[#] *Our Company may, in consultation with the Book Running Lead Manager, allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Price in accordance with the SEBI Regulations. At least one-third of the Anchor Investor*

Portion shall be available for allocation to domestic Mutual Funds only. Allocation to Anchor Investors shall be on a discretionary basis subject to minimum number of two Anchor Investors. An Anchor Investor shall make a minimum Bid of such number of Equity Shares that the Bid Amount is at least Rs. 1,000 Lakh.

** *In case the Bid cum Application Form or ASBA Form is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid cum Application Form or ASBA Form, as the case may be.*

Withdrawal of this Issue

Our Company, in consultation with Book Running Lead Manager, reserves the right not to proceed with this Issue at anytime after the Bid Opening Date, but before our Board meeting for Allotment, without assigning the reasons therefor. However, if our Company withdraws the Issue after the Bid Closing Date, we will give the reason thereof within two days of the Bid Closing Date by way of a public notice which shall be published within two days of the Bid Closing Date in the same newspapers where the pre-Issue advertisements were published. Further, the Stock Exchanges shall be informed promptly in this regard and the Book Running Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the Bank Accounts of the ASBA Bidders withn one Working Day from the date of receipt of such notification. In the event of withdrawal of the Issue and subsequently, plans of an initial public issue by our Company, a draft red herring prospectus will be submitted again for observations of the SEBI.

Notwithstanding the foregoing, this Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and the final RoC approval of the Prospectus.

In terms of the SEBI Regulations, QIBs shall not be allowed to withdraw their Bids after the Bid Closing Date.

Letters of Allotment or Refund Orders or Instructions to SCSBs

Our Company shall credit the Equity Shares to the valid beneficiary account with Depository Participants within two Working Days from the date of the Allotment to all successful Allottees, including ASBA Bidders, which in any event shall not exceed 11 Working Days from the Bid Closing Date.

Please note that only Bidders having a bank account at any of the centres where the clearing houses for the ECS as notified by the RBI are eligible to receive refunds or payment through electronic transfer of funds. For all other Bidders, including Bidders having bank accounts in the said centres who have not updated their bank particulars along with the nine-digit MICR code, the refund orders shall be dispatched within 10 Working Days of the Bid Closing Date “Under Certificate of Posting” for refund orders less than or equal to Rs. 1,500 and through speed post/registered post for refund orders exceeding Rs. 1,500.

In case of ASBA Bidders, the Registrar to the Issue shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA Form for withdrawn, rejected or unsuccessful or partially successful ASBAs within nine Working Days of the Bid Closing Date.

Interest in Case of Delay in Dispatch of Allotment Letters/ Refund Orders

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI Regulations, our Company undertakes that:

- Allotment shall be made only in dematerialised form within nine (9) Working Days from the Bid Closing Date;
- Dispatch of refund orders, except for Bidders who can receive refunds through Direct Credit, NEFT, RTGS or ECS, shall be done within 10 Working Days from the Bid Closing Date and the instructions to SCSBs to unblock the funds in the relevant ASBA Account for withdrawn (except in case of a QIB Bidding through an ASBA Form), rejected or unsuccessful Bids shall be given within eight (8) Working Days of the Bid Closing Date; and
- Interest shall be paid by our Company at 15% p.a. if the Allotment letters/ refund orders have not been dispatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner through Direct Credit, NEFT, RTGS or ECS, the refund instructions have not

been given to the clearing system in the disclosed manner within 10 Working Days from the Bid Closing Date or if instructions to SCSBs to unblock funds in the ASBA Accounts are not given within eight (8) Working Days of the Bid Closing Date.

Our Company will provide adequate funds required for dispatch of refund orders or Allotment advice to the Registrar to the Issue.

Refunds will be made by cheques, pay orders or demand drafts drawn on the Refund Banks and payable at par at places where Bids are received, except where refund or portion thereof is made through electronic transfer of funds or in case of Bids made through ASBA. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

In case of ASBA Bidders, the relevant SCSB will unblock funds in the ASBA Account to the extent of the refund to be made based on instructions received from the Registrar to the Issue.

Bid Program

BID OPENS ON*	**SEPTEMBER 13, 2010**
BID CLOSES ON	**SEPTEMBER 15, 2010**

* *Our Company may consider participation by Anchor Investors. The Bidding Period for Anchor Investors shall be one Working Day prior to the Bid Opening Date.*

Our Company, in consultation with the Book Running Lead Manager, may allocate up to 30% of the QIB Portion, i.e. [●] Equity Shares, to Anchor Investors on a discretionary basis in accordance with the SEBI Regulations. The Anchor Investor Bidding Date shall be one Working Day prior to the Bid Opening Date and shall be completed on the same day.

Except in relation to the Bids received from the Anchor Investors, Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 3.00 p.m.** (Indian Standard Time) during the Bidding Period as mentioned above at the Bidding Centres mentioned on the Bid cum Application Form or, in case of Bids submitted through ASBA, the Designated Branches of the SCSBs **except that on the Bid Closing Date, Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time)** and uploaded until (i) 4.00 p.m. in case of Bids by QIBs bidding in the Net QIB Portion, Non-Institutional Bidders where the Bid Amount is in excess of Rs. 1,00,000 and (ii) until 5.00 p.m. in case of Bids by Retail Individual Bidders, where the Bid Amount is up to Rs. 1,00,000, which may be extended up to such time as deemed fit by the Stock Exchanges after taking into account the total number of applications received up to the closure of timings and reported by Book Running Lead Manager to the Stock Exchanges within half an hour of such closure. Due to limitation of the time available for uploading the Bids on the Bid Closing Date, the Bidders, except Anchor Investors, are advised to submit their Bids one working day prior to the Bid Closing Date and, in any case, no later than 3.00 p.m. (Indian Standard Time) on the Bid Closing Date. Bidders other than Anchor Investors are cautioned that in the event a large number of Bids are received on the Bid Closing Date, as is typically experienced in public offerings in India, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation under this Issue. Bids will only be accepted on Working Days.

On the Bid Closing Date, extension of time may be granted by the Stock Exchanges only for uploading the Bids received by Retail Individual Bidders after taking into account the total number of Bids received up to the closure of timings for acceptance of Bid cum Application Forms and ASBA Form as stated herein and reported by the Book Running Lead Manager to the Stock Exchange within half an hour of such closure.

Our Company, in consultation with Book Running Lead Manager, reserves the right to revise the Price Band during the Bidding Period in accordance with the SEBI Regulations provided that the Cap Price should not be more than 120% of the Floor Price. Subject to compliance with the above mentioned condition, the Floor Price can move up or down to the extent of 20% of the Floor Price advertised at least two Working Days before the Bid Opening Date and the Cap Price will be revised accordingly.

In case of revision in the Price Band, the Bidding Period will be extended for three additional Working Days after revision of Price Band subject to the Bidding Period not exceeding 10

Working Days. Any revision in the Price Band and the revised Bidding Period, if applicable, will be widely disseminated by notification to the SCSBs and the Stock Exchanges, by issuing a press release, and also by indicating the change on the website of the Book Running Lead Manager.

ISSUE PROCEDURE

This section applies to all Bidders. Please note that all Bidders may participate in the Issue through the ASBA process. ASBA Bidders should note that the ASBA process involves application procedures that are different from the procedure applicable to Bidders other than the ASBA Bidders. Bidders applying through the ASBA process should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please note that all the Bidders are required to make payment of the full Bid Amount along with the Bid cum Application Form or ASBA Form, as the case may be.

Book Building Procedure

The Issue is being made through the 100% Book Building Process. Pursuant to Regulation 26(2) of the SEBI Regulations, at least 50% of the Issue shall be Allotted to QIBs on a proportionate basis. Out of the Net QIB Portion, 5% shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. If at least 50% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Our Company may, in consultation with the Book Running Lead Manager, consider participation of Anchor Investors in accordance with SEBI Regulations. Allocation to Anchor Investors shall be on a discretionary basis.

All Bidders other than ASBA Bidders are required to submit their Bids through the Book Running Lead Manager. ASBA Bidders are required to submit their Bids to SCSBs.

Investors should note that the Allotment will only be in dematerialised form. The Bid cum Application Forms or ASBA Forms, as the case may be, which do not have the details of the Bidders' depository account shall be treated as incomplete and rejected. Bidders will not have the option of being Allotted Equity Shares in physical form. The Equity Shares on Allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

Bid cum Application Form and ASBA Form

The prescribed colour of the Bid cum Application Form and ASBA Form for various categories of Bidders is as follows:

Category	Colour of Bid cum Application Form/ ASBA Form
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Institutional and QIB Bidders including eligible NRIs, FIIs, their Sub-Accounts (other than Sub-Accounts which are foreign corporates or foreign individuals bidding under the QIB Portion), FVCIs and multilateral and bilateral financial institutions and other Non-Residents, applying on a repatriation basis	Blue
Anchor Investors	Yellow*
ASBA Bidders bidding through a physical form	White

* *Bid cum Application Forms for Anchor Investors shall be available at our Registered Office, our Corporate Office and also at the offices of the Book Running Lead Manager.*

Bidders, other than ASBA Bidders, are required to submit their Bids through the Book Running Lead Manager. Bidders (excluding ASBA Bidders) shall only use the specified Bid cum Application Form bearing the stamp of the Book Running Lead Manager for the purpose of making a Bid in terms of the Red Herring Prospectus. Before being issued to the Bidders, other than ASBA Bidders, the Bid cum Application Forms shall be serially numbered and date and time stamped at the Bidding Centres and such form shall be issued in duplicate signed by the Bidder and countersigned by the Book Running Lead Manager. The Bid cum Application Form shall contain information about the Bidder, the price and the number of Equity Shares that the Bidder wishes to Bid for. The Bidder, other than ASBA Bidders, shall have the option to make a maximum of three Bids in the Bid cum Application Form and such options shall not be considered as multiple Bids.

Upon dispatch of the CAN, the Bid cum Application Form shall be considered as the Application Form. Upon completing and submitting the Bid cum Application Form to the Book Running Lead Manager, the Bidder, other than ASBA Bidders, is deemed to have authorised our Company to make the necessary changes in the Red Herring Prospectus as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Bidder.

Bidders can also submit their Bids through the ASBA by submitting ASBA Forms, obtained from the Designated Branches, to the SCSB with whom the ASBA Account is maintained, authorising blocking of funds that are available in the ASBA Account. . ASBA Bidders can submit their Bids, either in physical or electronic mode. In case of application in physical mode, the ASBA Bidder shall submit the ASBA Form at the relevant Designated Branch. In case of application in electronic form, the ASBA Bidder shall submit the ASBA Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for bidding and blocking funds in the ASBA Account held with SCSB, and accordingly registering such Bids. The SCSB shall block an amount in the ASBA Account equal to the Bid Amount specified in the ASBA Form. Upon completing and submitting the ASBA Form to the SCSB, the ASBA Bidder is deemed to have authorised our Company to make the necessary changes in the Red Herring Prospectus and the ASBA Form, as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the ASBA Bidder.

Who can Bid?

- Indian nationals resident in India who are not minors in single or joint names (not more than three);

- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/ ASBA Form as follows: "Name of sole or first Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*". Bids by HUFs would be considered at par with those from individuals;

- Companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in equity shares;

- Mutual Funds registered with SEBI;

- Eligible NRIs on a repatriation basis or on a non repatriation basis subject to applicable laws. NRIs other than Eligible NRIs are not eligible to participate in this issue;

- Indian financial institutions, commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations and the SEBI Regulations and other laws, as applicable);

- FIIs and Sub-Accounts registered with SEBI, other than a Sub-Account which is a foreign corporate or foreign individual;

- Sub-Accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non-Institutional Bidders category.

- Venture Capital Funds registered with SEBI;

- Foreign Venture Capital Funds registered with SEBI;

- Multilateral and bilateral development financial institutions;

- State Industrial Development Corporations;

- Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts/societies and who are authorised under their constitution to hold and invest in equity shares;

- Scientific and/or industrial research organisations authorised to invest in equity shares;

- Insurance Companies registered with Insurance Regulatory and Development Authority;

- Provident Funds with minimum corpus of Rs. 2,500 Lakh and who are authorised under their constitution to hold and invest in equity shares;

- Pension Funds with minimum corpus of Rs. 2,500 Lakh and who are authorised under their constitution to hold and invest in equity shares;

- National Investment Fund; and

- Insurance funds set up and managed by the army, navy or air force of the Union of India

In accordance with the FEMA and the regulations framed thereunder, OCBs cannot Bid in the Issue.

Participation by associates and affiliates of the Book Running Lead Manager

The Book Running Lead Manager shall not be allowed to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations, as stated in the Prospectus. However, associates and affiliates of the Book Running Lead Manager or any persons related to the Book Running Lead Manager may subscribe to or purchase Equity Shares in the Issue, in the QIB Portion or in Non-Institutional Portion as may be applicable to such Bidders. Such bidding and subscription may be on their own account or on behalf of their clients.

The Book Running Lead Manager and any persons related to the Book Running Lead Manager cannot apply in the Issue under the Anchor Investor Portion.

Bids by Mutual Funds

At least one third of the Anchor Investor Portion will be available for allocation on a discretionary basis to Mutual Funds and 5% of the Net QIB Portion is available to be allocated to Mutual Funds on a proportionate basis, subject to receipt of valid Bids.

An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Fund Portion. In the event that the demand from Mutual Funds is greater than [●] Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the Net QIB Portion, after excluding the allocation in the Mutual Fund Portion.

The Bids made by the asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No mutual fund scheme shall invest more than 10% of its net asset value in the equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company’s paid-up share capital carrying voting rights.

Bids by Eligible NRIs

1. Bid cum Application Forms/ ASBA Forms have been made available for Eligible NRIs at the Registered Office and with the Book Running Lead Manager.

2. Eligible NRI applicants may please note that only such Bids as are accompanied by payment in free foreign exchange shall be considered for Allotment. The Eligible NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the Bid cum Application Form meant for Resident Indians.

Bids by FIIs

Under the extant law, the issue of Equity Shares to a single FII cannot exceed 10% of our post-Issue paid-up equity share capital. In respect of an FII investing in our Equity Shares on behalf of its Sub-Accounts, the investment on behalf of each Sub-Account shall not exceed 10% of our total issued equity share capital or 5% of our total issued equity share capital in case such Sub-Account is a foreign corporate or an individual permitted to make investments. With the approval of the Board and the shareholders by way of a special resolution dated May 31, 2010, the aggregate FII holding in our Company can go up to 50% of our total issued equity share capital.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of Regulation 15A(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended (the "**SEBI FII Regulations**"), an FII or its Sub-Account may issue, deal or hold, offshore derivative instruments (as defined under the SEBI FII Regulations as any instrument, by whatever name called, which is issued overseas by a foreign institutional investor against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. The FII or Sub-Account is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority as defined under the SEBI FII Regulations. Associates and affiliates of the Book Running Lead Manager that are FIIs may issue offshore derivative instruments against Equity Shares Allotted to them. Any such offshore derivative instrument does not constitute any obligation or claim on or interest in, our Company.

Bids by SEBI registered Venture Capital Funds and Foreign Venture Capital Funds

The SEBI (Venture Capital Funds) Regulations, 1996 and SEBI (Foreign Venture Capital Investor) Regulations, 2000 *inter alia* prescribe the investment restrictions on VCFs and FVCIs.

Accordingly, the holding by any individual VCFs in one company should not exceed 25% of the corpus of the said VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offer of a venture capital undertaking.

The above information is given for the benefit of the Bidders. Our Company and the Book Running Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

Maximum and Minimum Bid Size

(a) **For Retail Individual Bidders:** The Bid must be for a minimum of 200 Equity Shares and in multiples of 200 Equity Shares thereafter, so as to ensure that the Bid Amount payable by the Bidder does not exceed Rs. 1,00,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 1,00,000. In case the Bid Amount is over Rs. 1,00,000 due to revision of the Bid or revision of the Price Band or on exercise of bidding at Cut-off Price, the Bid would be considered for allocation under the Non-Institutional Portion. The bidding at Cut-off Price is an option given only to the Retail Individual Bidders indicating their agreement to Bid and purchase at the Issue Price as determined at the end of the

Book Building Process.

(b) **For Non-Institutional Bidders and QIBs:** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 1,00,000 and in multiples of 200 Equity Shares thereafter. A Bid cannot be submitted for more than the Issue size. However, the Bid by a QIB should not exceed the investment limits prescribed for them by applicable laws. **A QIB cannot withdraw its Bid after the Bid Closing Date.**

In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the revised Bid Amount is greater than Rs. 1,00,000 for being considered for allocation in the Non-Institutional Portion. In case the Bid Amount reduces to Rs. 1,00,000 or less due to a revision in Bids or revision of the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. Non-Institutional Bidders and QIBs are not allowed to Bid at 'Cut-off'.

(c) **For Bidders in the Anchor Investor Portion:** The Bid by an Anchor Investor must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 1,000 Lakh and is in multiples of 200 Equity Shares thereafter. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids. Under the Anchor Investor Portion, a Bid cannot be submitted for more than 30% of the QIB Portion. **Anchor Investors cannot withdraw their Bids after the Anchor Investor Bidding Date.**

Bidders are advised to make independent enquiries and ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Red Herring Prospectus.

Information for Bidders:

(a) Our Company will file the Red Herring Prospectus with the RoC at least three days before the Bid Opening Date.

(b) Our Company and the Book Running Lead Manager shall declare the Bid Opening Date and Bid Closing Date in the Red Herring Prospectus to be registered with the RoC and also publish the same in an English and a Hindi national newspaper, each with wide circulation. This advertisement shall be in the format prescribed under applicable SEBI Regulations.

(c) Copies of the Bid cum Application Form and, at the request of potential Bidders, copies of this Red Herring Prospectus will be available with the Book Running Lead Manager.

(d) Any investor (who is eligible to invest in the Equity Shares) who would like to obtain the Red Herring Prospectus and/ or the Bid cum Application Form can obtain the same from the Registered Office or from the Book Running Lead Manager.

Eligible investors who are interested in subscribing for the Equity Shares should approach the Book Running Lead Manager or their authorised agent(s) to register their Bids.

(e) The Bids should be submitted on the prescribed Bid cum Application Form only. Bid cum Application Forms without the stamp of the Book Running Lead Manager will be rejected.

Information specific to ASBA Bidders

1. ASBA Bidders who would like to obtain the Red Herring Prospectus and/or the ASBA Form can obtain the same from the Designated Branches. ASBA Bidders can also obtain a copy of this Red Herring Prospectus and/or the ASBA Form in electronic form on the websites of the SCSBs.

2. The Bids should be submitted to the Designated Branches on the prescribed ASBA Form. SCSBs may provide the electronic mode of bidding either through an internet enabled bidding and banking facility or such other secured, electronically enabled mechanism for bidding and blocking funds in the ASBA Account.

3. The SCSBs shall accept Bids only during the Bidding Period and only from the ASBA Bidders.

4. The Book Running Lead Manager shall ensure that adequate arrangements are made to circulate copies of the Red Herring Prospectus and ASBA Form to the SCSBs. The SCSBs will then make available such copies to investors intending to apply in this Issue through the ASBA process.

5. The ASBA Form shall bear the stamp of the SCSBs and/or the Designated Branch, if not, the same shall be rejected.

Method and Process of Bidding

(a) Our Company in consultation with the Book Running Lead Manager has decided the Price Band and the minimum Bid lot for the Issue.The Book Running Lead Manager and the SCSBs shall accept Bids from the Bidders during the Bidding Period.

(b) The Bidding Period shall be for a minimum of three Working Days and shall not exceed 10 working days. The Bidding Period maybe extended, if required, by an additional three working days, subject to the total Bidding Period not exceeding 10 working days. Any revision in the Price Band and the revised Bidding Period, if applicable, will be published in an English national newspaper namely, Financial Express and a Hindi national newspaper, namely Jansatta, each with wide circulation and also by indicating the change on the website of the Book Running Lead Manager.

(c) During the Bidding Period, Bidders who are interested in subscribing for the Equity Shares should approach the Book Running Lead Manager or its authorised agents to register their Bid. The Book Running Lead Manager shall accept Bids from all other Bidders and have the right to vet the Bids during the Bidding Period in accordance with the terms of the Red Herring Prospectus. Bidders who wish to use the ASBA process shall approach the Designated Branches to register their Bids.

The Book Running Lead Manager shall accept Bids from the Anchor Investors on the Anchor Investor Bidding Date i.e. one Working Day prior to the Bid Opening Date. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Portion shall not be considered as multiple Bids.

(d) Each Bid cum Application Form and/ or the ASBA Form will give the Bidder the choice to bid for up to three optional prices (for details refer to the paragraph entitled "Bids at Different Price Levels" below) within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form and/ or the ASBA Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.

(e) The Bidder cannot bid on another Bid cum Application Form or ASBA Form after Bids on one Bid cum Application Form or ASBA Form have been submitted to the Book Running Lead Manager or SCSBs, as the case may be. Submission of a second Bid cum Application Form or ASBA Form to the Book Running Lead Manager or SCSB will be treated as multiple Bids and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation of Equity Shares or Allotment. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the paragraph entitled "Build up of the Book and Revision of Bids".

(f) Except in relation to Bids received from the Anchor Investors, the Book Running Lead Manager/ the SCSBs, as the case may be, will enter each Bid option into the electronic bidding system as a separate Bid and generate a Transaction Registration Slip, ("**TRS**"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three

TRSs for each Bid cum Application Form or ASBA Form.

(g) Along with the Bid cum Application Form, all Bidders (other than ASBA Bidders) will make payment in the manner described in "- Escrow Mechanism - Terms of payment and payment into the Escrow Accounts" on page 177.

(h) Upon receipt of the ASBA Form, submitted whether in physical or electronic mode, the respective Designated Branch shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the ASBA Form, prior to uploading such Bids with the Stock Exchanges.

(i) If sufficient funds are not available in the ASBA Account, the respective Designated Branch shall reject such Bids and shall not upload such Bids with the Stock Exchanges.

(j) If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the ASBA Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.

(k) The Bid Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful ASBA Bidders to the Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

Bids at Different Price Levels and Revision of Bids

(a) Our Company, in consultation with the Book Running Lead Manager and without prior intimation to or approval from the Bidders, reserves the right to revise the Price Band during the Bidding Period, provided that the Cap Price shall be less than or equal to 120% of the Floor Price and the Floor Price shall not be less than the face value of the Equity Shares. The revision in Price Band shall not exceed 20% on the either side i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price disclosed at least two days prior to the Bid Opening Date and the Cap Price will be revised accordingly.

(b) Our Company, in consultation with the Book Running Lead Manager, can finalise the Anchor Investor Price, in the event Anchor Investors participate in this Issue, within the Price Band in accordance with this clause, without the prior approval of, or intimation, to the Anchor Investors.

(c) The Bidders can bid at any price within the Price Band. The Bidder has to bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may bid at the Cut-off Price. However, bidding at Cut-off Price is not permittedfor QIB and Non-Institutional Bidders and such Bids from QIB and Non-Institutional Bidders shall be rejected.

(d) Retail Individual Bidders who Bid at Cut-off Price should note that they are required to purchase the Equity Shares at the Issue Price. Retail Individual Bidders shall submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount based on the Cap Price. ASBA Bidders, under the categories eligible to Bid at Cut-off Price, need to instruct the SCSBs to block an amount based on the Cap Price.

Escrow mechanism, terms of payment and payment into the Escrow Accounts

For details of the escrow mechanism and payment instructions, please see "Issue Procedure - Payment Instructions" on page 187.

Electronic Registration of Bids

(a) The Book Running Lead Manager and SCSBs will register the Bids using the on-line facilities of the Stock Exchanges. There will be at least one on-line connectivity in each city, where a stock exchange is located in India and where Bids are being accepted. The Book Running Lead Manager, our Company and the Registrar to the Issue are not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Bids accepted by the SCSBs, (ii) the Bids uploaded by the SCSBs, (iii) the Bids accepted but not uploaded the SCSBs or (iv) with respect to ASBA Bids accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Bids uploaded by the SCSBs, the Bid Amount has been blocked in the relevant ASBA Account. The Book Running Lead Manager and the SCSBs shall be responsible for any error in the Bid details uploaded by them.

(b) The Book Running Lead Manager and the SCSBs will undertake modification of selected fields in the Bid details already uploaded within one Working Day from the Bid Closing Date. In case of discrepancy of data between the BSE or the NSE and the Book Running Lead Manager or the SCSBs, the decision of the Book Running Lead Manager based on the physical records of Bid Application Forms shall be final and binding on all concerned. If the Book Running Lead Manager finds any discrepancy in the PAN, DP ID and the beneficiary account number, it will correct the same and the send the data to the Registrar for reconciliation and Allotment.

(c) In case of apparent data entry error by either the Book Running Lead Manager or the collecting bank in entering the Bid cum Application Form number in their respective schedules other things remaining unchanged, the Bid cum Application Form may be considered as valid and such exceptions may be recorded in minutes of the meeting submitted to Stock Exchange(s). In the event of mistake in capturing the Bid cum Application Form number by either the Book Running Lead Manager or collecting bank leading to rejection of the Bid cum Application Form, the Registrar may identify based on the Bid cum Application Form, the entity responsible for the error.

(c) The Stock Exchanges will offer an electronic facility for registering Bids for the Issue. This facility will be available with the Book Running Lead Manager and its authorised agents and the SCSBs during the Bidding Period. The Book Running Lead Manager and the Designated Branches can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for Book Building Process on a regular basis. On the Bid Closing Date, the Book Running Lead Manager and the Designated Branches shall upload the Bids till such time as may be permitted by the Stock Exchanges. This information will be available with the Book Running Lead Manager on a regular basis. Bidders are cautioned that a high inflow of high volumes on the last day of the Bidding Period may lead to some Bids received on the last day not being uploaded and such Bids will not be considered for allocation.

(d) Based on the aggregate demand and price for Bids registered on the electronic facilities of the Stock Exchanges, a graphical representation of consolidated demand and price would be made available at the bidding centres during the Bidding Period.

(e) At the time of registering each Bid, other than ASBA Bids, the Book Running Lead Manager shall enter the following details of the Bidders in the on-line system:

- Name of the Issuer
- Name of the Bidder: Bidders should ensure that the name given in the Bid cum Application Form is exactly the same as the name in which the Depositary Account is held. In case the Bid cum Application Form is submitted in joint names, Bidders should ensure that the Depository Account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form.
- Investor Category – Individual, Corporate, FII, NRI, Mutual Fund, etc.
- PAN
- Numbers of Equity Shares Bid for
- Bid Amount
- Bid cum Application Form number
- Cheque details

- DP ID and client identification number of the beneficiary account of the Bidder
- Price option

With respect to ASBA Bids, at the time of registering each Bid, the Designated Branches shall enter the following information pertaining to the Bidder into the on-line system:

- Name of the Bidder(s)
- ASBA Form Number
- PAN (of First Bidder, in case of more than one Bidder)
- Investor category and sub category
- DP ID and client identification number
- Beneficiary account number of Equity Shares Bid for
- Quantity
- Bid Amount
- Bank account number
- Cheque amount
- Cheque number

(f) A system generated TRS will be given to the Bidder as a proof of the registration of each of the bidding options. It is the Bidder's responsibility to obtain the TRS from the Book Running Lead Manager or the Designated Branches. The registration of the Bid by the Book Running Lead Manager or the Designated Branches does not guarantee that the Equity Shares shall be allocated/Allotment either by the Book Running Lead Manager or our Company.

(g) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

(h) In case of QIBs, the Book Running Lead Manager has the right to accept the Bid or reject it. However, such rejection should be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, Bids would not be rejected except on the technical grounds listed on page 191. The Book Running Lead Manager may also reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect. The SCSBs shall have no right to reject Bids, except on technical grounds.

(i) The permission given by the Stock Exchanges to use their network and software of the online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the Book Running Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the Promoter, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

Only Bids that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/ Allotment. The Book Running Lead Manager will be given up to one Working Day after the Bid Closing Date to verify the information uploaded in the online IPO system during the Bidding Period after which the data will be sent to the Registrar for reconciliation with the data available with the NSDL and CDSL. If the Registrar finds any discrepancy in the DP name, DP Id and the Client Id, the Registrar will correct the same. In case of any discrepancy of data between the Stock Exchanges and the Book Running Lead Manager or the Designated Branches, the decision of our Company, in consultation with the Book Running Lead Manager and the Registrar, based on the physical records of Bid cum Application Forms shall be final and binding on all concerned.

(j) Details of Bids in the Anchor Investor Portion will not be registered on the on-line facilities of electronic facilities of the Stock Exchanges. However, Anchor Investors who use the ASBA facility will have to submit the photocopy ASBA Form and TRS to the Book Running Lead

Manager along with a confirmation from the SCSBs that the Bid Amount has been blocked in their respective bank accounts in terms of the ASBA process. In the event such Bid Amount has not been blocked, the Anchor Investor‘s Bid shall be rejected.

Build up of the book and revision of Bids

(a) Bids received from various Bidders through the Book Running Lead Manager and the SCSBs shall be electronically uploaded to the Stock Exchanges' mainframe on a regular basis.

(b) The book gets built up at various price levels. This information will be available with the Book Running Lead Manager on a regular basis at the end of the Bidding Period.

(c) During the Bidding Period, any Bidder who has registered his or her Bid at a particular price level is free to revise his or her Bid within the Price Band using the printed Revision Form.

(d) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form. Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form, ASBA Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form/ ASBA Form and such Bidder is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being revised, in the Revision Form. The Book Running Lead Manager and the Designated Branches will not accept incomplete or inaccurate Revision Forms.

(e) The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the Book Running Lead Manager or the same SCSB through whom such Bidder had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.

(f) In case of an upward revision in the Price Band announced as above, Retail Individual Bidders who had Bid at Cut-off Price could either (i) revise their Bid or (ii) shall make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed Rs. 1,00,000 if the Bidder wants to continue to Bid at Cut-off Price), with the Book Running Lead Manager. In case the total amount (i.e., original Bid Amount plus additional payment) exceeds Rs. 1,00,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of this Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off Price.

(g) In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders who have bid at Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Account.

(h) Our Company, in consultation with the Book Running Lead Manager, shall decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of Rs. 5,000 to Rs. 7,000.

(i) Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. With respect to the ASBA Bids, if revision of the Bids results in an incremental amount, the SCSBs shall block the additional Bid Amount. In case of Bids, other than ASBA Bids, the Book Running Lead Manager shall collect the payment in the form of cheque or demand draft if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions. In such cases, the Book Running Lead Manager will revise the earlier Bid details with the revised Bid and provide the cheque or demand draft number of the new payment instrument in the electronic book. The Registrar will reconcile the Bid data and consider the revised Bid data for preparing the Basis of Allotment.

(j) When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and may get a revised TRS from the Book Running Lead Manager or the SCSB, as applicable. It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.

Price Discovery and Allocation

(a) Based on the demand generated at various price levels and the book built, our Company in consultation with the Book Running Lead Manager shall finalise the Issue Price.

(b) Under-subscription in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories, at the discretion of our Company in consultation with the Book Running Lead Manager and the Designated Stock Exchange. If at least 50% of the Issue is not Allotted to QIBs, the entire subscription monies shall be refunded.

(c) Allocation to Non-Residents, including Eligible NRIs and FIIs registered with SEBI, applying on repatriation basis will be subject to applicable law, rules, regulations, guidelines and approvals.

(d) QIBs shall not be allowed to withdraw their Bid after the Bid Closing Date.

(e) The Basis of Allotment shall be put on the website of the Registrar to the Issue.

Signing of the Underwriting Agreement and the RoC Filing

(a) Our Company and the Book Running Lead Manager shall enter into an Underwriting Agreement on or immediately after the finalisation of the Issue Price.

(b) After signing the Underwriting Agreement, our Company will file the Prospectus with the RoC. The Prospectus would have details of the Issue Price, Issue size, underwriting arrangements and would be complete in all material respects.

Pre-Issue Advertisement

Subject to Section 66 of the Companies Act, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Issue advertisement, in the form prescribed by the SEBI Regulations, in one English language national daily newspaper and one Hindi language national daily newspaper, each with wide circulation.

Advertisement regarding Issue Price and Prospectus

Our Company will issue a statutory advertisement after the filing of the Prospectus with the RoC. This advertisement, among others shall indicate the Issue Price and the Anchor Investor Price, if any, in the event Anchor Investors participate in this Issue. Any material updates between the date of the Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of Confirmation of Allocation Note ("CAN")

(a) Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar to the Issue shall send to the Book Running Lead Manager and SCSBs a list of the Bidders who have been allocated/allotted Equity Shares in the Issue. The approval of the Basis of Allotment by the Designated Stock Exchange for QIBs may be done simultaneously with or prior to the approval of the basis of allocation for the Retail and Non-Institutional Bidders. However, investors should note that our Company shall ensure that: (i) the date of Allotment and (ii) the instructions by the Company for the demat credit of the Equity Shares,to all investors in this Issue shall be done on the same date.

(b) The Registrar will then dispatch a CAN to the Bidders who have been alloted Equity Shares in the Issue.

(c) The Issuance of CAN is subject to any revisions made and any Revised CANs issued pursuant to the same.

(d) The Issuance of CAN shall be deemed a valid, binding and irrevocable contract for the Allotment.

Notice to Anchor Investors: Allotment Reconciliation and Revised CANs

A physical book will be prepared by the Registrar to the Issue on the basis of the Bid cum Application Forms received from Anchor Investors, if any. Based on the physical book and at the discretion of our Company and the Book Running Lead Manager, select Anchor Investors may be sent a provisional CAN, within two Working Days of the Anchor Investor Bidding Date, indicating the number of Equity Shares that may be allocated to them. This provisional CAN and the final allocation will be subject to the physical application being valid in all respects along with receipt of stipulated documents, the Issue Price being finalised not higher than the Anchor Investor Price and allotment by the Board of Directors. In the event that the Issue Price is higher than the Anchor Investor Price or for any increased allocation of Equity Shares, a revised CAN will be sent to Anchor Investors. Anchor Investors should note that they may be required to pay additional amounts (being the difference between the Issue Price and the Anchor Investor Issue Price or the increased price of Equity Shares), as indicated in the revised CAN within two Working Days after the Bid Closing Date. Any revised CAN, if issued, will supersede the earlier CAN in its entirety. Allocation to Anchor Investors shall be on a discretionary basis.

In the event, the option for book for Anchor Investors is not opened by the Company or the Anchor Investor Anchor Investor Portion is unsubscribed, the entire number of Equity Shares will be available for allocation in the Issue. Further, in the event the Anchor Investor Portion is under subscribed, the unsubscribed Anchor Investor Portion will be added back to the QIB portion.

Notice to QIBs: Allotment Reconciliation and Revised CANs

After the Bid Closing Date, an electronic book will be prepared by the Registrar to the Issue on the basis of Bids uploaded on the BSE/NSE system. This shall be followed by a physical book prepared by the Registrar to the Issue on the basis of Bid cum Application Forms and ASBA Forms received. Based on the electronic book or the physical book, as the case may be, QIBs may be sent a CAN, indicating the number of Equity Shares that may be allocated to them. This CAN is subject to the final Basis of Allotment, which will be approved by the Designated Stock Exchange and reflected in the reconciled book prepared by the Registrar. Subject to the SEBI Regulations, certain Bids may be rejected due to technical reasons, non-receipt of funds, insufficient funds, incorrect details, etc., and these rejected applications will be reflected in the reconciliation and the Basis of Allotment as approved by the Designated Stock Exchange. As a result, a revised CAN may be sent to QIBs and the allocation of Equity Shares in such revised CAN may be different from that specified in the earlier CAN. The revised CAN, if issued, will supersede in entirety the earlier CAN.

Designated Date and Allotment

(a) Our Company will ensure that (i) the Allotment is completed within 9 Working Days of the Bid Closing Date; and (ii) credit to the successful Bidder‘s depositary account will be completed within 11 Working Days of the Bid Closing Date.

(b) In accordance with the SEBI Regulations, Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the Allottees.

(c) Allottees will have the option to re-materialise the Equity Shares so Allotted as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be Allotted to them.

GENERAL INSTRUCTIONS

Do's:

(a). Check if you are eligible to apply;

(b). Ensure that you have Bid within the Price Band;

(c). Read all the instructions carefully and complete the Bid cum Application Form;

(d). Ensure that the details about the Depository Participant and the beneficiary account are correct as Allotment will be in the dematerialised form only;

(e). Ensure that the Bid cum Application Forms submitted at the Bidding Centres bear the stamp of the Book Running Lead Manager;

(f). Ensure that you have been given a TRS for all your Bid options;

(g). Submit revised Bids to the Book Running Lead Manager and obtain a revised TRS;

(h). Except for Bids submitted on behalf of the Central Government or the State Government and officials appointed by a court, all Bidders should mention their PAN allotted under the IT Act;

(i). Ensure that the Demographic Details are updated, true and correct in all respects;

(j). Ensure that the names given in the Bid cum Application Form is exactly the same as the names available in the depository database. In case the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form.

Don'ts:

(a). Do not Bid for lower than the minimum Bid size;

(b). Do not Bid/ revise Bid Amount to less than the Floor Price or higher than the Cap Price;

(c). Do not Bid on another Bid cum Application Form after you have submitted a Bid to the Book Running Lead Manager or its affiliates;

(d). Do not pay the Bid Amount in cash, by money order or by postal order or by stockinvest;

(e). Do not send Bid cum Application Forms by post; instead submit the same to the Book Running Lead Manager only;

(f). Do not bid at Cut-off Price (for QIBs and Non-Institutional Bidders, for Bid Amount in excess of Rs. 1,00,000);

(g). Do not Bid for a Bid Amount exceeding Rs. 1,00,000 (for Bids by Retail Individual Bidders);

(h). Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Issue size and/ or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations;

(i). Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground; and

(j). Do not Bid for allotment of Equity Shares in physical form.

(k). Do not submit Bids without the full Bid Amount.

INSTRUCTIONS SPECIFIC TO ASBA BIDDERS

Do's:

1. Check if you are eligible to Bid under ASBA.

2. Ensure that you use the ASBA Form specified for the purposes of ASBA.

3. Read all the instructions carefully and complete the ASBA Form.

4. Ensure that your ASBA Form is submitted at a Designated Branch where the ASBA Account is maintained and not to the Escrow Collecting Banks (assuming that such bank is not a SCSB), to our Company or the Registrar to the Issue or the Book Running Lead Manager.

5. Ensure that the ASBA Form is signed by the ASBA Account holder in case the ASBA Bidder is not the account holder.

6. Ensure that you have mentioned the correct ASBA Account number in the ASBA Form.

7. Ensure that you have funds equal to the Bid Amount in the ASBA Account before submitting the ASBA Form to the respective Designated Branch.

8. Ensure that you have correctly checked the authorisation box in the ASBA Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for the Designated Branch to block funds in the ASBA Account equivalent to the Bid Amount mentioned in the ASBA Form.

9. Ensure that you receive an acknowledgement from the Designated Branch for the submission of your ASBA Form.

10. Ensure that the name(s) given in the ASBA Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the ASBA Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the ASBA Form.

Don'ts:

1. Do not Bid on another ASBA Form or on a Bid cum Application Form after you have submitted a Bid to a Designated Branch.

2. Payment of Bid Amounts in any mode other than through blocking of Bid Amounts in the ASBA Accounts shall not be accepted under the ASBA.

3. Do not send your physical ASBA Form by post. Instead submit the same to a Designated Branch.

INSTRUCTIONS FOR COMPLETING THE BID CUM APPLICATION FORM AND ASBA FORMS

1. Bid cum Application Forms, ASBA Forms or Revision Forms are to be completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in the Red Herring Prospectus. Incomplete Bid cum Application Forms, ASBA Forms or Revision Forms are liable to be rejected. Bidders should note that the Book Running Lead Manager and / or the SCSBs, as appropriate, will not be liable for errors in data entry due to incomplete or illegible Bid cum Application Forms, ASBA Forms or Revision Forms.

2. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal. Bids must be in single name or in joint names (not more than three, and in the same order as their Depository Participant details).

3. Bidders should correctly mention their name, DP ID and Client ID in the Bid cum Application Form, or the ASBA Form, as the case may be. For the purpose of evaluating the validity of Bids, the Demographic Details of Bidders shall be derived from the name, DP ID and Client ID mentioned in the Bid cum Application Form, or the ASBA Form, as the case may be.

4. Information provided by the Bidders will be uploaded in the online IPO system by the Book Running Lead Manager and the SCSBs, as the case may be, and the electronic data will be used to make allocation/ Allotment. The Bidders should ensure that the details are correct and legible.

5. Bids through ASBA must be:

    a. made only in the prescribed ASBA Form or Revision Forms (if submitted in physical mode) or the electronic mode.

    b. made in single name or in joint names (not more than three, and in the same order as their details appear with the Depository Participant).

    c. completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in the Red Herring Prospectus and in the ASBA Form.

6. If the ASBA Account holder is different from the ASBA Bidder, the ASBA Form should be signed by the ASBA Account holder, in accordance with the instructions provided in the ASBA Form.

7. For ASBA Bidders, the Bids in physical mode should be submitted to the SCSBs on the prescribed ASBA Form. SCSBs may provide the electronic mode of bidding either through an internet enabled bidding and banking facility or such other secured, electronically enabled mechanism for bidding and blocking funds in the ASBA Account.

Bidder's PAN, Depository Account and Bank Account Details

Bidders should note that on the basis of PAN of the Bidders, Depository Participant's name, Depository Participant-Identification number and beneficiary account number provided by them in the Bid cum Application Form or ASBA Form, the Registrar to the Issue will obtain from the Depository the Demographic Details of the Bidders. These bank account details would be used for giving refunds (including through physical refund warrants, direct credit, ECS, NEFT and RTGS) or unblocking of ASBA Account. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in despatch/ credit of refunds to Bidders or unblocking of ASBA Account at the Bidders sole risk and neither the Book Running Lead Manager or the Registrar to the Issue or the Escrow Collection Banks or the SCSBs nor our Company shall have any responsibility and undertake any liability for the same. Hence, Bidders should carefully fill in their Depository Account details in the Bid cum Application Form or the ASBA Form, as the case may be.

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR PAN, DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID CUM APPLICATION FORM OR ASBA FORM. INVESTORS MUST ENSURE THAT THE DP ID, CLIENT ID AND PAN GIVEN IN THE BID CUM APPLICATION FORM OR ASBA FORM IS EXACTLY THE SAME AS THE DP ID, CLIENT ID AND PAN AVAILABLE IN THE DEPOSITORY DATABASE. IN CASE THE BID CUM APPLICATION FORM OR ASBA FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY

ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE BID CUM APPLICATION FORM OR ASBA FORM.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the CANs/allocation advice and printing of bank particulars on the refund orders or for refunds through electronic transfer of funds, as applicable. The Demographic Details given by Bidders in the Bid cum Application Form or ASBA Form would not be used for any other purpose by the Registrar to the Issue.

By signing the Bid cum Application Form or ASBA Form, the Bidder would be deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Refund orders/allocation advice/CANs would be mailed at the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/allocation advice/CANs may get delayed if the same once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Bidder (other than ASBA Bidders) in the Bid cum Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at such Bidders sole risk and neither our Company, Escrow Collection Banks, Registrar to the Issue nor the Book Running Lead Manager shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories, which matches the three parameters, namely, PAN of the sole/First Bidder, the DP ID and the beneficiary's identity, then such Bids are liable to be rejected.

Bids by Non Residents including Eligible NRIs, FIIs and Foreign Venture Capital Funds registered with SEBI on a repatriation basis

Bids and revision to Bids must be made in the following manner:

1. On the Bid cum Application Form, ASBA Form or the Revision Form, as applicable, and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.

2. In a single name or joint names (not more than three and in the same order as their Depositary Participant details).

3. Bids on a repatriation basis shall be in the names of individuals, or in the name of FIIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.

Bids by Eligible NRIs for a Bid Amount of up to Rs. 1,00,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount of more than Rs. 1,00,000 would be considered under Non-Institutional Portion for the purposes of allocation.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into US Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE accounts, details of which should be furnished in the space provided for this purpose in the Bid cum Application Form or the ASBA Form. Our Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

As per the existing policy of the Government of India, OCBs are not permitted to participate in the Issue.

There is no reservation for Eligible NRIs and FIIs and all applicants will be treated on the same basis with other categories for the purpose of allocation.

Bids under Power of Attorney

By limited companies, corporate bodies, registered societies

A certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be submitted along with the Bid cum Application Form. Failing this, our Company reserves the right to reject any Bid, without assigning any reason therefor.

By FIIs, FVCIs, VCFs and Mutual Funds

A certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of their SEBI registration certificate must be submitted along with the Bid cum Application Form or ASBA Form. Failing this, our Company reserves the right to reject any Bid, without assigning any reason.

Our Company at its absolute discretion reserves the right to relax the above conditions of simultaneous lodging of the powers of attorney, subject to the terms and conditions that our Company in consultation with the Book Running Lead Manager deem fit.

ASBA Bidders

In case of an ASBA Bid pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the ASBA Form. Failing this, our Company, in consultation with the Book Running Lead Manager, reserves the right to reject such Bids.

Our Company, in its absolute discretion, reserves the right to relax the above condition of attaching the power of attorney along with the Bid cum Application Form or the ASBA Form, as the case may be, subject to such terms and conditions that our Company and the Book Running Lead Manager may deem fit.

PAYMENT INSTRUCTIONS

Escrow Mechanism for Bidders other than ASBA Bidders

Our Company and the Book Running Lead Manager shall open Escrow Account(s) with one or more Escrow Collection Bank(s) in whose favour the Bidders shall make out the cheque or demand draft in respect of his or her Bid and/or revision of the Bid. Cheques or demand drafts received for the full Bid Amount from Bidders in a certain category would be deposited in the Escrow Account.

The Escrow Collection Banks will act in terms of this Red Herring Prospectus and the Escrow Agreement. The Escrow Collection Banks, for and on behalf of the Bidders, shall maintain the monies in the Escrow Account. The Escrow Collection Banks shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders until the Designated Date. On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account and the SCSBs will also transfer the funds represented by allocation of Equity Shares from the respective ASBA Accounts to the Public Issue Account. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement and this Red Herring Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Book Running Lead Manager, the Escrow Collection Banks and the Registrar to the Issue to facilitate collections from the Bidders.

Payment mechanism for ASBA Bidders

The ASBA Bidders shall specify the ASBA Account number in the ASBA Form and the relevant SCSB shall block an amount equivalent to the application money in the ASBA Account specified in the ASBA Form. The SCSB shall keep the Bid Amount in the relevant bank account blocked until withdrawal/ rejection of the ASBA Bid or receipt of instructions from the Registrar to the Issue to unblock the Bid Amount. In the event of withdrawal or rejection of the ASBA Form or for unsuccessful ASBA Forms, the Registrar to the Issue shall give instructions to the SCSB to unblock the application money in the relevant bank account within eight Working Days of the Bid Closing Date. The Bid Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the ASBA Bid, as the case may be.

Bidders should note that the escrow mechanism is neither provided under any law or regulation nor has been prescribed by SEBI. The escrow mechanism has been established as an arrangement amongst our Company, the Book Running Lead Manager, the Escrow Collection Bank(s) and the Registrar to the Issue to facilitate collections from the Bidders.

Payment into Escrow Account for Bidders other than ASBA Bidders

Each Bidder shall draw a cheque or demand draft or remit the funds electronically through the RTGS mechanism for the amount payable on the Bid and/or on allocation/Allotment as per the following terms:

1. All Bidders would be required to pay the full Bid Amount at the time of the submission of the Bid cum Application Form.

2. The Bidders shall, with the submission of the Bid cum Application Form, draw a payment instrument for the Bid Amount in favour of the Escrow Account and submit the same to the Book Running Lead Manager. If the payment is not made favouring the Escrow Account along with the Bid cum Application Form, the Bid will be rejected.

3. The payment instruments for payment into the Escrow Account should be drawn in favour of:

    - In case of resident QIBs: “Escrow Account– Indosolar Limited Public Issue – QIB – R”

    - In case of Non-Resident QIBs: “Escrow Account– Indosolar Limited Public Issue – QIB – NR”

    - In case of resident Retail and Non-Institutional Bidders: “Escrow Account– Indosolar Limited Public Issue – R”

    - In case of Non-Resident Retail and Non-Institutional Bidders: “Escrow Account– Indosolar Limited Public Issue –NR”

4. In the event of Issue Price being higher than the price at which allocation is made to Anchor Investors, the Anchor Investors shall be required to pay such additional amount to the extent of shortfall between the price at which allocation is made to them and the Issue Price within two Working Days of the Bid Closing Date. If the Issue Price is lower than the price at which allocation is made to Anchor Investors, the amount in excess of the Issue Price paid by Anchor Investors shall not be refunded to them.

5. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

    (a) In case of Resident Anchor Investors: “Escrow Account– Indosolar Limited Public Issue – Anchor Investor – R”

    (b) In case of Non-Resident Anchor Investors: “Escrow Account– Indosolar Limited Public Issue – Anchor Investor – NR”

6. In case of Bids by Eligible NRIs applying on repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of Non-Resident Bidder bidding on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account.

7. In case of Bids by Eligible NRIs applying on non-repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance or out of a Non-Resident Ordinary (NRO) Account of a Non-Resident Bidder bidding on a non-repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or FCNR or NRO Account.

8. In case of Bids by FIIs, the payment should be made out of funds held in a 'Special Rupee Account' along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting the 'Special Rupee Account'.

9. The monies deposited in the Escrow Account will be held for the benefit of the Bidders (other than ASBA Bidders) till the Designated Date.

10. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account as per the terms of the Escrow Agreement into the Public Issue Account with the Bankers to the Issue.

11. On the Designated Date and no later than 10 Working Days from the Bid Closing Date, the Escrow Collection Bank shall also refund all amounts payable to unsuccessful Bidders (other than ASBA Bidders) and also the excess amount paid on bidding, if any, after adjusting for allocation/Allotment to such Bidders.

12. Payments should be made by cheque, or demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid cum Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/ stockinvest/money orders/postal orders will not be accepted.

Payment by cash/ stockinvest/ money order

Payment through cash/ stockinvest/ money order shall not be accepted in this Issue.

Submission of Bid cum Application Form and ASBA Forms

All Bid cum Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the Book Running Lead Manager at the time of submission of the Bid. With respect to the ASBA Bidders, the ASBA Form or the Revision Form shall be submitted to the Designated Branches.

No separate receipts shall be issued for the money payable on the submission of Bid cum Application Form or Revision Form. However, the collection centre of the Book Running Lead Manager will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder.

OTHER INSTRUCTIONS

Joint Bids in the case of Individuals

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid cum Application Form or Revision Form. All communications will be addressed to the first Bidder and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or First Bidder is one and the same.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made. Bids by QIBs under the Anchor Investor Portion and the Net QIB Portion will not be considered as multiple Bids.

Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories. In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

1. PAN will be sole criteria for weeding out multiple applications with exception to be taken care of for Mutual Fund applications under different schemes with the same PAN, FII applications under different Sub Accounts with same PAN, PMS applications for different schemes with same PAN and individual application by PAN exenpted cases such as Sikkim applicants and other specific PAN exempted category.

2. All Bids will be checked for common PAN and will be accumulated and taken to a separate process file which would serve as a multiple master.

3. In this master, a check will be carried out for the same PAN. In cases where the PAN is different, the same will be deleted from this master.

4. The Registrar to the Issue will obtain, from the depositories, details of the applicant's address based on the DP ID and Beneficiary Account Number provided in the Bid cum Application Form or ASBA Form and create an address master.

5. The addresses of all the applications in the multiple master will be strung from the address master. This involves putting the addresses in a single line after deleting non-alpha and non-numeric characters i.e. commas, full stops, hash etc. Sometimes, the name, the first line of address and pin code will be converted into a string for each application received and a photo match will be carried out amongst all the applications processed. A print-out of the addresses will be taken to check for common names. The applications with same name and same address will be treated as multiple applications.

6. The applications will be scrutinised for DP ID and Beneficiary Account Numbers. In case applications bear the same DP ID and Beneficiary Account Numbers, these will be treated as multiple applications.

Permanent Account Number or PAN

The Bidders, or in the case of a Bid in joint names, each of the Bidders, should mention his/ her PAN allotted under the Income Tax Act. In accordance with the SEBI Regulations, the PAN would be the sole identification number for participants transacting in the securities market, irrespective of the amount of transaction. **Any Bid cum Application Form or ASBA Form without the PAN is liable to be rejected. It is to be specifically noted that Bidders should not submit the GIR number instead of**

the PAN as the Bid is liable to be rejected on this ground.

Withdrawal of ASBA Bids

ASBA Bidders can withdraw their Bids during the Bidding Period by submitting a request for the same to the SCSBs who shall do the requisite, including deletion of details of the withdrawn ASBA Form from the electronic bidding system of the Stock Exchanges and unblocking of the funds in the ASBA Account.

In case an ASBA Bidder (other than a QIB bidding through an ASBA Form) wishes to withdraw the Bid after the Bid Closing Date, the same can be done by submitting a withdrawal request to the Registrar to the Issue. The Registrar to the Issue shall delete the withdrawn Bid from the Bid file and give instruction to the SCSB for unblocking the ASBA Account after finalization of the 'Basis of Allocation'.

REJECTION OF BIDS

In case of QIBs, our Company in consultation with the Book Running Lead Manager may reject Bids provided that the reasons for rejecting the same shall be provided to such Bidders in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, our Company has a right to reject Bids based on technical grounds. Consequent refunds shall be made by cheque or pay order or draft and will be sent to the Bidder's address at the Bidder's risk. With respect to ASBA Bids, the Designated Branches shall have the right to reject ASBA Bids if at the time of blocking the Bid Amount in the Bidder's ASBA Account, the respective Designated Branch ascertains that sufficient funds are not available in the Bidder's ASBA Account. Further, in case any DP ID, Client ID or PAN mentioned in the ASBA Form does not match with one available in the depository's database, such ASBA Bid shall be rejected by the Registrar to the Issue. Subsequent to the acceptance of the ASBA Bid by the SCSB, our Company would have a right to reject the ASBA Bids only on technical grounds.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected *inter alia* on the following technical grounds:

- Amount paid does not tally with the Bid Amount payable for the highest value of Equity Shares Bid for. With respect to ASBA Bids, the amounts mentioned in the ASBA Form does not tally with the amount payable for the value of the Equity Shares Bid for;

- Application on plain paper;

- Age of First Bidder not given;

- In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;

- Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;

- PAN not stated (except for Bids on behalf of the Central or State Government, residence of Sikkim and the official appointed by the courts);

- GIR number furnished instead of PAN;

- Bids for lower number of Equity Shares than specified for that category of investors;

- Bids at a price less than the Floor Price;

- Bids at a price more than the Cap Price;

- Submission of more than five ASBA Forms per ASBA Account;

- Bids at Cut-off Price by Non-Institutional and QIBs;
- Bids for a value of more than Rs. 1,00,000 by Bidders falling under the category of Retail Individual Bidders;
- Bids for number of Equity Shares which are not in multiples of 200;
- Category not ticked;
- Multiple Bids as defined in this Red Herring Prospectus;
- In case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;
- Bids accompanied by Stockinvest/money order/postal order/cash;
- Signature of sole and / or joint Bidders missing;
- ASBA Forms not being signed by the account holders, if the account holder is different from the Bidder;
- Bid cum Application Forms and ASBA Forms does not have the stamp of the Book Running Lead Manager or the SCSB and/or the Designated Branch, as the case may be (except for electronic ASBA Bids);
- Bids that do not comply with the securities laws of their respective jurisdictions; Bids by persons who are not eligible to acuire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
- Bids by U.S. persons;
- Bids by OCBs;
- Bid cum Application Forms and ASBA Forms do not have Bidder's depository account details;
- Bid cum Application Forms and ASBA Forms are not delivered by the Bidders within the time prescribed as per the Bid cum Application Forms and ASBA Forms, Bid Opening Date advertisement and this Red Herring Prospectus and as per the instructions in this Red Herring Prospectus and the Bid cum Application Forms and ASBA Forms;
- In case no corresponding record is available with the Depositories that matches three parameters namely, names of the Bidders (including the order of names of joint holders), the DP ID and the beneficiary's account number;

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- With respect to ASBA Bids, inadequate funds in the ASBA Account to block the Bid Amount specified in the ASBA Form at the time of blocking such Bid Amount in the ASBA Account;
- Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
- Bids in respect whereof the Bid cum Application Form or ASBA Forms do not reach the Registrar to the Issue prior to the finalisation of the Basis of Allotment;
- Bids where clear funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
- Authorisation for blocking funds in the ASBA Account not ticked or provided;
- Inadequate funds in the ASBA Account to block the Bid Amount specified in the ASBA Form at the time of blocking such Bid Amount in the ASBA Account.

- Bids at Cut-off Price by Non-Institutional Bidders and QIBs;
- Bids by any person outside India if not in compliance with applicable foreign and Indian Laws;
- Bids not uploaded on the terminals of the Stock Exchanges; and
- Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority.

IN CASE THE DP ID, CLIENT ID AND PAN MENTIONED IN THE BID CUM APPLICATION FORM OR ASBA FORM AND ENTERED INTO THE ELECTRONIC BIDDING SYSTEM OF THE STOCK EXCHANGES OR THE BOOK RUNNING LEAD MANAGER/THE SCSBs DO NOT MATCH WITH THE DP ID, CLIENT ID AND PAN AVAILABLE IN THE RECORDS WITH THE DEPOSITARIES.

EQUITY SHARES IN DEMATERIALISED FORM WITH NSDL OR CDSL

As per the provisions of Section 68B of the Companies Act, the Allotment shall be only in a de-materialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

- Agreement dated February 24, 2010 with NSDL, our Company and the Registrar to the Issue.
- Agreement dated February 19, 2010 with CDSL, our Company and the Registrar to the Issue.

All Bidders can seek Allotment only in dematerialised mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

(a) A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid.

(b) The Bidder must necessarily fill in the details (including the Beneficiary Account Number and Depository Participant's identification number) appearing in the Bid cum Application Form, ASBA Form or Revision Form.

(c) Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.

(d) Names mentioned in the Bid cum Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.

(e) If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid cum Application Form, ASBA Form or Revision Form, it is liable to be rejected.

(f) The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid cum Application Form or ASBA Form vis-à-vis those with his or her Depository Participant.

(g) Equity Shares in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where the Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.

(h) The trading of the Equity Shares would be in dematerialised form only for all investors in the demat segment of the respective Stock Exchanges.

Communications

All future communications in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or first Bidder, Bid cum Application Form or ASBA Form number, Bidders' Depository Account Details, number of Equity Shares applied for, date of Bid cum Application Form or ASBA Form, name and address of the Book Running Lead Manager or the Designated Branch where the Bid was submitted and cheque or draft number and issuing bank thereof or with respect to ASBA Bids, ASBA Account number in which the amount equivalent to the Bid Amount was blocked.

Bidders can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of Allotment, credit of Allotted Equity Shares in the respective beneficiary accounts, refund orders etc. In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders can contact the Designated Branches.

PAYMENT OF REFUND

Bidders other than ASBA Bidders must note that on the basis of the PAN of the Bidders, Depository Participant's name, DP ID, beneficiary account number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain, from the Depositories, the Bidders' bank account details, including the nine digit Magnetic Ink Character Recognition ("**MICR**") code as appearing on a cheque leaf. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in despatch of refund order or refunds through electronic transfer of funds, as applicable, and any such delay shall be at the Bidders' sole risk and neither our Company, the Registrar to the Issue, Escrow Collection Bank(s), Bankers to the Issue nor the Book Running Lead Manager shall be liable to compensate the Bidders for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

Mode of making refunds for Bidders other than ASBA Bidders

The payment of refund, if any, for Bidders other than ASBA Bidders would be done through various modes in the following order of preference:

1. NECS – Payment of refund would be done through NECS for applicants having an account at any of the centres where such facility has been made available. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of refunds is mandatory for applicants having a bank account at any of the abovementioned centres, except where the applicant, being eligible, opts to receive refund through direct credit or RTGS.

2. Direct Credit – Applicants having bank accounts with the Refund Bank (s), as mentioned in the Bid cum Application Form, shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company.

3. RTGS – Applicants having a bank account at any of the abovementioned centres and whose refund amount exceeds Rs. 50 Lakh, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the Bid cum Application Form. In the event the same is not provided, refund shall be made through ECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the applicant.

4. NEFT – Payment of refund shall be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR), if any, available to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and

the payment of refund will be made to the applicants through this method. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency. The process flow in respect of refunds by way of NEFT is at an evolving stage, hence use of NEFT is subject to operational feasibility, cost and process efficiency. In the event that NEFT is not operationally feasible, the payment of refunds would be made through any one of the other modes as discussed in the sections.

5. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be despatched under certificate of posting for value upto Rs. 1,500 and through Speed Post/ Registered Post for refund orders of Rs. 1,500 and above. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Mode of making refunds for ASBA Bidders

In case of ASBA Bidders, the Registrar shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within eight Working Days of the Bid Closing Date.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

With respect to Bidders other than ASBA Bidders, our Company shall ensure dispatch of Allotment advice, refund orders (except for Bidders who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchanges within two Working Days of the date of Allotment.

In case of applicants who receive refunds through ECS, direct credit or RTGS, the refund instructions will be given to the clearing system within 10 Working Days from the Bid Closing Date. A suitable communication shall be sent to the bidders receiving refunds through this mode within 10 Working Days of Bid Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

Our Company shall use best efforts to ensure that all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed, are taken within three Working Days of Allotment.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Regulations, our Company further undertakes that:

- Allotment shall be made only in dematerialised form within nine (9) Working Days of the Bid Closing Date; and

- With respect to Bidders other than ASBA Bidders, dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within nine (9) Working Days of the Bid Closing Date would be ensured. With respect to the ASBA Bidders, instructions for unblocking of the ASBA Bidder's ASBA Account shall be made within eight days from the Bid Closing Date.

Our Company shall pay interest at 15% per annum for any delay beyond the 10 Working Day time period as mentioned above, if Allotment is not made and refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to investors within the time prescribed above.

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A

of the Companies Act, which is reproduced below:

"Any person who:

(a) ***makes in a fictitious name, an application to a company for acquiring or subscribing for, any shares therein, or***

(b) ***otherwise induces a company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name,***

shall be punishable with imprisonment for a term which may extend to five years."

BASIS OF ALLOTMENT

A. For Retail Individual Bidders

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.

- The Issue size less Allotment to Non-Institutional and QIBs shall be available for Allotment to Retail Individual Bidders who have Bid at a price that is equal to or greater than the Issue Price.

- If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.

- If the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of [•] Equity Shares. For the method of proportionate Basis of Allotment, refer below.

B. For Non-Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all successful Non-Institutional Bidders will be made at the Issue Price.

- The Issue size less Allotment to QIBs and Retail shall be available for Allotment to Non-Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.

- If the aggregate demand in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.

- In case the aggregate demand in this category is greater than [●] Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [•] Equity Shares. For the method of proportionate Basis of Allotment refer below.

C. For QIBs in the Net QIB Portion

- Bids received from the QIBs bidding in the Net QIB Portion at or above the Issue Price shall be grouped together to determine the total demand under this portion. The Allotment to all the QIBs will be made at the Issue Price.

- The Net QIB Portion shall be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price.

- Allotment shall be undertaken in the following manner:

  (a) In the first instance allocation to Mutual Funds for up to 5% of the Net QIB Portion shall be determined as follows:

    (i) In the event that Bids by Mutual Fund exceeds 5% of the Net QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the Net QIB Portion.

    (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the Net QIB Portion then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price.

    (iii) Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available for Allotment to all QIBs as set out in (b) below;

  (b) In the second instance Allotment to all QIBs shall be determined as follows:

    (i) In the event of oversubscription in the Net QIB Portion, all QIBs who have submitted Bids above the Issue Price shall be allotted Equity Shares on a proportionate basis for up to 95% of the Net QIB Portion.

    (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs.

    (iii) Under-subscription below 5% of the Net QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIBs on a proportionate basis.

- The aggregate Allotment to QIBs bidding in the Net QIB Portion shall not be less than [●] Equity Shares.

D. For Anchor Investors

- Allocation of Equity Shares to Anchor Investors, if any, at the Anchor Investor Price will be at the discretion of our Company, in consultation with the Book Running Lead Manager, subject to compliance with the following requirements:

  (a). not more than 30% of the QIB Portion will be allocated to Anchor Investors;
  (b). one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors;
  (c). allocation to Anchor Investors shall be on a discretionary basis and subject to a minimum number of two Anchor Investors for allocation upto Rs. 2,500 Lakh and minimum number of five Anchor Investors for allocation more than Rs. 2,500 Lakh.

- The number of Equity Shares Allotted to Anchor Investors, if any and the Anchor Investor Price, shall be made available in the public domain by the Book Running Lead Manager before the Bid Opening Date by intimating the same to the Stock Exchanges.

Method of Proportionate Basis of Allotment in the Issue

In the event of the Issue being over-subscribed, our Company shall finalise the Basis of Allotment in consultation with the Designated Stock Exchange. The executive director (or any other senior official nominated by them) of the Designated Stock Exchange along with the Book Running Lead Manager and the Registrar to the Issue shall be responsible for ensuring that the Basis of Allotment is finalised in a fair and proper manner in accordance with the SEBI Regulations.

The Allotment shall be made in marketable lots, on a proportionate basis as explained below:

a) Bidders will be categorised according to the number of Equity Shares applied for.

b) The total number of Equity Shares to be allotted to each category as a whole shall be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio.

c) Number of Equity Shares to be allotted to the successful Bidders will be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio.

d) In all Bids where the proportionate Allotment is less than [•] Equity Shares per Bidder, the Allotment shall be made as follows:

- The successful Bidders out of the total Bidders for a category shall be determined by draw of lots in a manner such that the total number of Equity Shares allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and

- Each successful Bidder shall be allotted a minimum of 200 Equity Shares.

e) If the proportionate Allotment to a Bidder is a number that is more than 200 but is not a multiple of one (which is the marketable lot), the decimal would be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it would be rounded off to the lower whole number. Allotment to all in such categories would be arrived at after such rounding off.

f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares allotted to the Bidders in that category, the remaining Equity Shares available for Allotment shall be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.

g) Subject to valid Bids being received, allocation of Equity Shares to Anchor Investors shall be at the sole discretion of our Company, in consultation with the Book Running Lead Manager.

Illustration of Allotment to QIBs and Mutual Funds ("MF")

A. Issue Details

Sr. No.	Particulars	Issue details
1.	Issue size	240 Lakh equity shares
2.	Allocation to QIB (50%)	120 Lakh equity shares
3.	Anchor Investor Portion	36 Lakh equity shares
4.	Portion available to QIBs other than Anchor Investors [(2) minus (3)]	84 Lakh equity shares
	Of which:	
	a. Allocation to MF (5%)	4.20 Lakh equity shares
	b. Balance for all QIBs including MFs	79.80 Lakh equity shares
5.	No. of QIB applicants	10

Sr. No.	Particulars	Issue details
6.	No. of shares applied for	500 Lakh equity shares

B. Details of QIB Bids

Sr. No.	Type of QIBs #	No. of shares bid for (in Lakh)
1.	A1	50
2.	A2	20
3.	A3	130
4.	A4	50
5.	A5	50
6.	MF1	40
7.	MF2	40
8.	MF3	80
9.	MF4	20
10.	MF5	20
	Total	**500**

A1-A5: (QIBs other than MFs), MF1-MF5 (QIBs which are Mutual Funds)

C. Details of Allotment to QIBs / Applicants

(Number of equity shares in Lakh)

Type of QIBs	Shares bid for	Allocation of 4.20 Lakh Equity Shares to MF proportionately (please see note 2 below)	Allocation of balance 79.80 Lakh Equity Shares to QIBs proportionately (please see note 4 below)	Aggregate allocation to MFs
(I)	(II)	(III)	(IV)	(V)
A1	50	0	8.05	0
A2	20	0	3.22	0
A3	130	0	20.92	0
A4	50	0	8.05	0
A5	50	0	8.05	0
MF1	40	0.84	6.30	7.14
MF2	40	0.84	6.30	7.14
MF3	80	1.68	12.61	14.29
MF4	20	0.42	3.15	3.57
MF5	20	0.42	3.15	3.57
	500	**4.20**	**79.80**	**35.71**

Please note:

1. The illustration presumes compliance with the requirements specified in this Red Herring Prospectus in "Issue Structure" on page 166.

2. Out of 84 Lakh equity shares allocated to QIBs, 4.2 Lakh (i.e. 5%) will be allocated on proportionate basis among five Mutual Fund applicants who applied for 200 million equity shares in QIB category.

3. The balance 79.80 Lakh equity shares (i.e. 84 - 4.2 (available for MFs)) will be allocated on proportionate basis among 10 QIB applicants who applied for 500 Lakh equity shares (including five MF applicants who applied for 200 Lakh equity shares).

4. The figures in the fourth column entitled "Allocation of balance 79.80 Lakh equity shares to QIBs proportionately" in the above illustration are arrived as under:

- For QIBs other than Mutual Funds (A1 to A5) = No. of equity shares bid for (i.e. in column II) X 79.80 / 495.80.

- For Mutual Funds (MF1 to MF5)= [(No. of shares bid for (i.e. in column II of the table above) less equity shares allotted (i.e., column III of the table above)] X 79.80 / 495.80.

- The numerator and denominator for arriving at allocation of 84 Lakh equity shares to the 10 QIBs are reduced by 4.2 Lakh equity shares, which have already been allotted to Mutual Funds in the manner specified in column III of the table above.

Letters of Allotment or Refund Orders or instructions to the SCSBs

Our Company shall give credit to the beneficiary account with depository participants within three Working Days from the date of the finalisation of Basis of Allotment. Applicants residing at the centres where clearing houses are managed by the RBI, will get refunds through ECS only except where applicant is otherwise disclosed as eligible to get refunds through direct credit and RTGS. Our Company shall ensure dispatch of refund orders, if any, of value up to Rs. 1,500, by "Under Certificate of Posting", and shall dispatch refund orders above Rs. 1,500, if any, by registered post or speed post at the sole or first Bidder's sole risk within 10 Working Days of the Bid Closing Date. Applicants to whom refunds are made through electronic transfer of funds will be sent a letter through ordinary post, intimating them about the mode of credit of refund within 10 Working Days of the Bid Closing Date. In case of ASBA Bidders, the Registrar to the Issue shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within eight Working Days of the Bid Closing Date.

Interest in case of delay in despatch of Allotment Letters or Refund Orders/ instruction to SCSB by the Registrar to the Issue

Our Company agrees that: (i) Allotment; and (ii) credit to the successful Bidders' depositary accounts will be completed within 11 Working Days of the Bid Closing Date.

Our Company further agrees that it shall pay interest at the rate of 15% p.a. if the Allotment letters or refund orders have not been despatched to the applicants or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given in the disclosed manner within 10 Working Days from the Bid Closing Date.

Our Company will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue.

Refunds will be made by cheques, pay-orders or demand drafts drawn on a bank appointed by our Company as a Refund Bank and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

- That the complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily;

- That all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within three Working Days of finalisation of the Basis of Allotment;

- That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;

- That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 10 Working Days of the Bid Closing Date, as the case may be, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

- That the Promoter's contribution in full has already been brought in;

- That the certificates of the securities/ refund orders to the non-resident Indians shall be despatched within specified time;

- That no further issue of Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.; and

- That adequate arrangements shall be made to collect all ASBA Forms and to consider them similar to non-ASBA applications while finalising the Basis of Allotment.

Our Company shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from all the Stock Exchanges where listing is sought, has been received.

Withdrawal of the Issue

Our Company, in consultation with the Book Running Lead Manager, reserves the right not to proceed with the Issue anytime after the Bid Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers, in which the pre-Issue advertisements were published, within two days of the Bid Closing Date, providing reasons for not proceeding with the Issue. Our Company shall also inform the same to Stock Exchanges on which the Equity Shares are proposed to be listed.

Any further issue of Equity Shares by our Company shall be in compliance with applicable laws.

If our Company withdraws the Issue after the closure of bidding, our Company shall be required to file a fresh draft red herring prospectus with SEBI.

Utilisation of Issue proceeds

The Board of Directors certify that:

- All monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;

- Details of all monies utilised out of Issue shall be disclosed, and continue to be disclosed till the time any part of the issue proceeds remains unutilised, under an appropriate head in our balance sheet indicating the purpose for which such monies have been utilised;

- Details of all unutilised monies out of the Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested;

- the utilisation of monies received under Promoter's contribution shall be disclosed, and continue to be disclosed till the time any part of the Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and

- the details of all unutilised monies out of the funds received under Promoter's contribution shall be disclosed under a separate head in the balance sheet of the issuer indicating the form in which such unutilised monies have been invested.

Subscription by foreign investors (NRIs/FIIs)

By way of Circular No. 53 dated December 17, 2003, the RBI has permitted FIIs to subscribe to shares of an Indian company in a public offer without the prior approval of the RBI, so long as the price of the equity shares to be issued is not less than the price at which the equity shares are issued to residents.

There is no reservation for Eligible NRIs and FIIs registered with SEBI. All Eligible NRIs and FIIs will be treated on the same basis with other categories for the purpose of allocation.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States and may not be offered or sold within the United States (as defined in Regulation S under the Securities Act), except pursuant to an exemption from or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered or sold outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

SECTION VIII – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Pursuant to Schedule II of the Companies Act and the SEBI Regulations, the main provisions of the Articles of Association relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/or on their consolidation/splitting are detailed below. Please note that the each provision herein below is numbered as per the corresponding article number in the Articles of Association. Certain defined terms used in the Articles of Association are set forth below. All other defined terms used in this section have the meaning given to them in the Articles of Association.

SHARE CAPITAL

3. a) The Authorized Share Capital of the Company shall be such amounts and be divided into such Shares as may, from time to time, be provided in Clause V of the Memorandum of Association with power to increase or reduce the capital in accordance with the Articles and legislative provisions for the time being in force on that behalf with the powers to divide the share capital, whether original or increased or decreased into several classes and attach there to respectively such ordinary or preferential and conditions in such manner as may for the time being be provided by the Regulations and allowed by law.

   b) The minimum paid up Capital of the Company will be Rs. 5,00.000/- (Rs. Five Lac).

4. Subject to the provisions of Section 81 of the Act and these Articles, the Shares in the capital of the Company for the time being shall be under the control of the Directors, who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at premium or at par or (subject to the compliance with the provisions of section 79 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in the General Meeting to give to any person or persons the option or right to call for any Shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot Shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any Shares which may so be allotted may be issued as fully paid up Shares and if so issued, shall be deemed to be fully paid Shares. Provided that option or right to call of Shares shall not be given to any person or persons without the sanction of the Company in the General Meeting. The Board shall cause to be made the returns as the allotment provided for in Section 75 of the Act.

5. Any application signed by or on behalf of an applicant for Shares, followed by an allotment of any Shares therein, shall be an acceptance of Shares within the meaning of these Articles; and every person who thus or otherwise accepts any Shares and whose name is on the Register shall, for the purposes of the Articles, be a member.

6. (1) If at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the Shares of that class) may, subject to the provisions of Sections 106 and 107 of the Act and whether or not the Company is being wound up be varied with the consent in writing of the holders of three fourths of the issued Shares of that class or with a sanction of a resolution passed at a separate Meeting of the holders of the Shares of that class.

   (2) Subject to the provisions of Section 170 (2) (a) and (b) of the Act, to every such separate Meeting, the provisions of these Regulations relating to Meetings shall mutatis mutandis apply, but so that the necessary quorum shall be five persons at least holding or representing by Proxy or one-third of the issued Shares of the class in question.

7. The rights conferred upon the holders of the Shares of any class issued with preferred or other rights shall not unless otherwise provided by the terms of issue of the Shares of that class be deemed to be varied by the creation or issue of further Shares ranking pari-passu therewith.

8. (1) The Company may exercise the powers of paying commissions conferred by Section 76 of the Act, provided that the rate per cent or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by the Section.

(2) The rate of commission shall not exceed the rate of 5% (five percent) of the price at which the Shares in respect whereof the same is paid are issued or an amount equal to 5% (five percent) of such price, as the case may be and in the cast of Debentures 2½% (two and a half per cent) of the price at which the Debentures in respect whereof the same is paid are issued or an amount equal to 2½% (two and a half per cent) of such price, as the case may be.

(3) The commission may be satisfied by payment in cash or by allotment of fully or partly paid Shares or partly in one way and partly in the other.

(4) The Company may also, on any issue of Shares, pay such brokerage as may be lawful.

9. Subject to section 187-C of the Act, no person shall be recognized by the Company as holding any Share upon any trust and the Company shall not be bound by or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent future or a partial interest in any Share or any interest in any fractional part of a Share or any other rights in respect of any Share except an absolute right to the entirety thereof in the registered holder.

13. If any Shares stand in the names of two or more persons, the person first named in the Register shall as regards receipt of Dividends, the service of notices and subject to the provisions of these Articles, all or any other matter connected with the Company except the issue of share certificates, voting at Meeting and the transfer of the Share, be deemed the sole holder thereof.

LIEN

16. (1) The Company shall have a first and paramount lien upon all the Shares/Debentures (other than fully paid up Shares/Debentures) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such Shares/Debentures, and no equitable interest in any Shares shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all Dividends and bonuses from time to time declared in respect of such Shares/Debentures. Unless otherwise agreed, the registration of a transfer of Shares/Debentures shall operate as a waiver of the Company's lien, if any, on such Shares/Debentures. The Directors may at any time declare any Shares/Debentures wholly or in part exempt from the provisions of this clause.

(2) The Company's lien, if any, on a Share shall extend to all Dividend payable thereon subject to section 205A of the Act.

17. The Company may sell, in such manner as the Board think fit, any Share on which the Company has a lien provided that no sale shall be made :-

(a) unless a sum in respect of which the lien exists is presently payable; or

(b) until the expiration of thirty days after a notice in writing demanding payment of such part of the amount in respect of which the lien exists as is presently payable, have been given to the registered holder for the time being of the Share or the person entitled thereto by reason of his death or insolvency and stating that amount so demanded if not paid within the period specified at the Office the said Shares shall be sold.

18. (1) To give effect to any such sale, the Board may authorise some person to transfer the Shares sold to the purchaser thereof.

(2) The purchaser shall be registered as the shareholder of the Shares comprised in any such transfer.

(3) The purchaser shall not be bound to see to the application of the purchase money not shall his title to the Share be affected by any irregularity or invalidity in the proceedings in references to the sale.

19. (1) The proceeds of the sale shall be received by the Company and applied in payment of the whole or part of the amount in respect of which the lien exist as is presently payable.

(2) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the Shares as the date of sale, be paid to the person entitled to the Shares at the date of the sale.

FURTHER ISSUE OF SHARES

20. (1) Where at any time after the expiry of two Years from formation of the Company or at any time after the expiry of one Year from the allotment of Shares made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further Shares, then

(a) Such further Shares shall be offered to the persons who, at the date of the offer, are holders of the equity Shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on these Shares at that date.

(b) The offer shall be made by a notice specifying the number of Shares offered and limiting a time not being less than thirty days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined.

(c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the Shares offered to him or any of them in favour of any person and the notice referred to in sub-clause (b) shall contain a statement of this right.

(d) After the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the Shares offered, the Board of Directors may dispose of them in such manner as they may think, most beneficial to the Company.

(2) Notwithstanding anything contained in sub-clause (1), the further Shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub-clause (1) hereof) in any manner whatsoever.

(a) if a Special Resolution to that effect is passed by the Company in General Meeting; or

(b) where no such Resolution is passed, if the votes cast (whether on a show of hands, or on poll, as the case may be) in favour of the proposal contained in the resolution moved in that General Meeting (including the casting vote, if any, of the Chairman) by Members who being entitled to do so, vote in person, or where proxies are allowed, by Proxy, exceed the votes, if any cast against the proposal by Members so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company.

(3) Nothing in sub-clause (c) of (1) hereof above shall be deemed:

(a) to extend the time within which the offer should be accepted; or

(b) to authorize any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the Shares comprised in the renunciation.

(4) Nothing in this Article shall apply to the increase of the subscribed capital caused by the exercise of an opinion attached to the Debentures

(i) to convert such Debentures or loans into Shares ; or

(ii) to subscribe for Shares .

PROVIDED THAT the terms of issue of such Debentures or the terms of such loans include a term provided for such option and such term:

(a) Either has been approved by the Central Government before the issue of the Debentures or the raising of the loans or is in conformity with Rules; if any, made by that Government in this behalf; and

(b) In the case of Debentures or loans or other than Debentures issued to or loans obtained from Government or any institution specified by the Central Government in this behalf, has also been approved by a Special Resolution passed by the Company in General Meeting before the issue of the loans.

CALLS ON SHARES

21. (1) The Board of Directors may, from time to time, make calls upon the Members in respect of money unpaid on their Shares (whether on account of the nominal value of the Shares or by way of premium) and not by the condition of allotment thereof made payable at fixed times.

(2) Each member shall, subject to receiving at least thirty days notice specifying the time or times and place of payment of the call money pay to the Company at the time or times and place so specified, the amount called on his Shares.

(3) A call may be revoked or postponed at the discretion of the Board.

22. A call shall be deemed to have been made at the time when the resolution of the Board authorizing the call was passed. Call money may be required to be paid by installments.

23. The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.

24. (1) If a sum called in respect of a Share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest thereon from the day appointed for payment thereof to the time of actual payment at eighteen percent or at such lower rate, if any as the Board may determine.

(2) The Board shall be at liberty to waive payment of any such interest wholly or in part.

25. (1) Any sum which by the terms of issue of a Share become payable on allotment or at any fixed date, whether on account of the nominal value of the Shares or by way of premium, shall for purposes of these Regulations, be deemed to be a call duly made and payable on the date on which by the terms of issue such sum becomes payable.

(2) In case of non-payment of such sum, all the relevant provisions of these Regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

26. Subject to the provisions of Section 92 and 292 of the Act, the Board:-

(a) May, if it thinks fit, receive from any member willing to advance all or any part of the money uncalled and unpaid upon any Shares held by him;

(b) If it thinks fit, may pay interest upon all or any of the moneys advanced on uncalled and unpaid Shares (until the same would but for such advance become presently payable) at such rate not exceeding, unless the Company in General Meeting shall otherwise direct, [9%] (nine percent) per annum as may be agreed upon between the Board and the member paying the sums or advances, Money so paid in advance shall not confer a right to Dividend or to participate in profits and the member shall not be entitled to any voting rights in respect of the money so paid by him until the same would but for such payment, become presently payable;

(c) The Directors may at any time repay the amount so advanced;

(d) The Members shall not be entitled to any voting rights in respect of the money so paid by him until the same would but for such payment, become presently payable; and

(e) The provisions of these Articles shall mutatis mutandis apply to the calls on Debentures of the Company.

27. On the trial or hearing on any suit or proceedings brought by the Company against any member or his representative to recover any debt or money claimed to be due to the Company in respect of his Share, it shall be sufficient to prove that the name of the defendant is or was, when the claim arose, on the Register as a holder or one of the holders of the number of Shares in respect of which such claim is made and that the amount claimed is not entered as paid in the books of the Company and it shall not be necessary to prove the appointment of the Directors who resolved to make any call, nor that a quorum of Directors was present at Board Meeting at which any call was resolved to be made, nor that the meeting at which any call was resolved to be made was duly convened or constituted nor any other matter, but the proof of the matters aforesaid shall be conclusive evidence of the debt.

28. Neither the receipt by the Company of a portion of any money which shall, from time to time, be due from any member to the Company in respect of his Shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall, preclude the Company from thereafter proceeding to enforce a forfeiture of such Shares as hereinafter provided.

29. The provisions of these Articles shall mutatis mutandis apply to the calls on Debentures of the Company.

TRANSFER AND TRANSMISSION OF SHARES

30. The Company shall keep a “Register of Transfers” and therein shall fairly and distinctly enter particulars of every transfer or transmission of any Share.

31. (1) The instrument of transfer of any Share in the Company shall be executed by or on behalf of both the transferor and the transferee.

(2) The transferor shall be deemed to remain a holder of the Share until the name of the transferee is entered in the Register in respect thereof.

32. The instrument of transfer shall be in writing and all provisions of Section 108 of the Act and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of Shares and registration thereof.

33. Unless the Directors decide otherwise, when an instrument of transfer is tendered by the transferee, before registering any such transfer, the Directors shall give notice by letter sent by registered acknowledgement due post to the registered holder that such transfer has been lodged and that unless objection is taken the transfer will be registered. If such registered holder fails to lodge and objection in writing at the Office within ten days from the posting of such notice to him, he shall be deemed to have admitted the validity of the said transfer. Where no notice is received by the registered holder, the Directors shall be deemed to have decided not to give notice and in any event to the non-receipt by the registered holder of any notice shall not entitle him to make any claim of any kind against the Company or the Directors in respect of such non-receipt.

TRANSFER OF SHARES

34. The Board of Directors may, subject to the right of appeal conferred by Section 111 of the Act decline to register:-

(a) the transfer of a Share not being a fully paid up Share, to a person of whom they do not approve; or

(b) any transfer of the Share on which the Company has a lien, provided that the registration transfer shall not be refused on the ground of transferor being either alone or jointly with any person or persons indebted to the Company on any account except a lien.

35. Subject to the provisions of Section 111A, Section 22A of the Securities Contracts (Regulation) Act, 1956, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board of Directors may refuse whether in pursuance of any power of the Company under these Articles or otherwise, to register the transfer of, or the transmission by operation of law of the right to, any Shares or interest of a Member in or Debentures of the Company. The Company shall, within one Month from the date on which the instrument of transfer or intimation of such transmission, as the case may be, was delivered to the Company, send notice of the refusal to the Transferee and the Transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal, notice of the refusal to register such transfer, provided that registration of a transfer shall not be refused on the ground of the Transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on Shares. However, no transfer of Shares/Debentures shall be refused on the ground of them not being held in marketable lots.

36. The Board may also decline to recognize any instrument of transfer unless:-

(a) the instrument of transfer is accompanied by the certificate of the Shares to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer, and

(b) the instrument is in respect of only one class of Shares.

37. All instruments of transfer which shall be registered shall be retained by the Company, but may be destroyed upon the expiration of such period as the Board may from time to time determine. Any instrument of transfer which the Board declines to register shall (except in any case of fraud) be returned to the person depositing the same.

38. (a) The registration of transfers may be suspended at such times and for such period as the Board may, from time to time, determine provided that such registration shall not be suspended for more than forty-five days in the aggregate in any Year or for more than thirty days at any one time.

(b) There shall be no charge for:

(a) registration of transfers of Shares or Debentures.

(b) sub-division and/or consolidation of Shares and Debentures certificates and sub-division of Letters of Allotment and split consolidation, renewal and pucca transfer receipts into denominations corresponding to the market unit or trading;

(c) sub-division of renounceable Letters of Right;

(d) issue of new certificates in replacement of those which are decrepit or worn out or where the cages on the reverse for recording transfers have been fully utilised;

(e) registration of any Powers of Attorney, Letter of Administration, probate, succession certificate and letters of administration, certificate of death or Marriage, or similar other document.

TRANSMISSION OF SHARES

39. (1) On the death of a member, the survivor or survivors where the member was a joint holder and his legal representative where he was a sole holder shall be the only person recognized by the Company as having any title to his interest in the Shares.

(2) Nothing in clause (1) shall release the estate of a deceased joint holder from any liability in respect of any Share which had been jointly held by him with other persons.

40. (1) Any person becoming entitled to a Share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided elect, either:-

(a) to be registered himself as holder of the Share; or

(b) to make such transfer of the Shares as the deceased or insolvent member could have made.

(2) The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent member had himself transferred the Share before his death or insolvency.

41. (1) If the person so becoming entitled, shall elect to be registered as holder of the Share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.

(2) If the person aforesaid shall elect to transfer the Share, he shall testify his election by executing a transfer of Share.

(3) All the limitations, restrictions and provisions of these Regulations relating to the right to transfer and the registration of transfers of Shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice of transfer were a transfer signed by that member.

42. On the transfer of the Share being registered in his name a person becoming entitled to a Share by reason of the death or insolvency of the holder shall be entitled to the same Dividends and other advantages to which he would be entitled if he was the registered holder of the Share and that he shall not, before being registered as a member in respect of the Share be entitled in respect of it to exercise any right conferred by membership in relation to Meetings of the Company. Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the Share and if the notice is not complied with within 90 (ninety) days, the Board may thereafter with hold payment of all Dividends, bonus or other moneys payable in respect of the Share, until the requirements of the notice have been complied with.

43. Where the Company has knowledge through any of its principal officers within the meaning of Section 2 of the Estate Duty Act, 1953 of the death of any Member of or debenture holder in the Company, it shall furnish to the controller within the meaning of such section, the prescribed particulars in accordance with that Act and the rules made there under and it shall not be lawful for the Company to register the transfer of any Shares or Debentures standing in the name of the deceased, unless the transferor has acquired such Shares for valuable consideration or a certificate from the Controller is produced before the Company to the effect that the Estate Duty in respect of such Shares and Debentures has been paid or will be paid or that none is due, as the case may be.

44. The Company shall incur liability whatever in consequence of its registering or giving effect, to any transfer of Share made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register) to the prejudice of persons having or claiming any equitable right, title of interest to or in the said Shares notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer and may have entered such notice or referred thereto, in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest or be under any liability for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company but the Company though not

pound so to do, shall be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

FORFEITURE OF SHARES

45. If a member fails to pay any call or installment of a call, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or installment remains unpaid serve a notice on him requiring payment of so much of the call or installment as is unpaid together with any interest which may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.

46. The notice aforesaid shall

(a) name a further day (not earlier than the expiry of 30 (thirty) day from the date of service of notice) on or before which the payment required by the notice is to be made; and

(b) state that, in the event of non-payment on or before the days so named, the Shares in respect of which the call was made, will be liable to be forfeited.

47. It the requirements of any such notice as aforesaid are not complied with, any Share in respect of which the notice has been given, may at any time, thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all Dividends declared in respect of the forfeited Shares and not actually paid before the date of forfeiture, which shall be the date on which the resolution of the Board is passed forfeiting the Shares.

48. (1) A forfeited Share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.

(2) At any time before a sale or disposal, as aforesaid, the Board may annual the forfeiture on such terms as it thinks fit.

49. (1) A person whose Shares have been forfeited shall cease to be a member in respect of the forfeited Shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all moneys which, at date of forfeiture, were presently payable by him to the Company in respect of the Shares together with interest thereon from the time of forfeiture until payment at the rate of 9 % (nine percent) per annum.

(2) The Liability of such person shall cease if and when the Company shall have received payments in full of all such money in respect of the Shares.

50. (1) A duly verified declaration in writing that the declarant is a Director or the Secretary and that a Share has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Share.

(2) The Company may receive the consideration, if any, given for the Share on any sale or disposal thereof and may execute a transfer of the Share in favour of the person to whom the Share is sold or disposed off.

(3) The transferee shall thereupon be registered as the holder of the Share.

(4) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale of disposal of the Share.

51. The provisions of these Regulations as to forfeiture shall apply, in the case of non-payment of any sum which, by the terms of issue of a Share, becomes payable at a fixed time, whether on account of the nominal value of the Share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.

52. The forfeiture of a Share shall involve the extinction of all interest in and also of all claims and demands against the Company in respect of the Share, and all other rights incidental thereto except only such of those right as by these Articles are expressly saved.

53. Upon any sale, after forfeiture or for enforcing a lien in purported exercise of powers hereinbefore given, the Board may appoint some person to execute an instrument of transfer of the Shares sold and cause the purchaser's name to be entered in the Register in respect of the Shares sold and the purchaser shall not be bound to see to the regularity of the proceedings or to the application of the purchase money and after his name has been entered in the Register in respect of such Shares, the validity, of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

54. Upon any sale, re-allotment or other disposal under the provisions of these Articles relating to lien or to forfeiture, the certificate or certificates originally issued in respect of the relative Shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member) stand cancelled and become null and void and of no effect. When any Shares, under the powers in that behalf herein contained are sold by the Board and the certificate in respect thereof has not been delivered up to the Company by the former holder of such Shares, the Board may, issue a new certificate for such Shares distinguishing it in such manner as it may think fit, from the certificate not so delivered.

55. The Directors may subject to the provisions of the Act, accept from any member on such terms and conditions as shall be agreed, a surrender of his Shares or stock or any part thereof.

ALTERATION OF CAPITAL

64. The Company may, from time to time, by Ordinary Resolution increase its share capital by such sum, to be divided into Shares of such amount, as the resolution shall specify.

65. Subject to the provisions of section 94 of the Act, the Company may, from time to time, by Ordinary Resolution in General Meeting:

    (a) consolidate and divide all or any of its capital into Shares of larger amounts than its existing Shares;

    (b) sub-divide its Shares or any of them, into Shares of similar amounts than is fixed by the Memorandum of Association, so however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced Share shall be the same as it was in the case of the Share from which the reduced Share is derived;

    (c) cancel any Share which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person and diminish the amount of its Share capital by the amount of the Shares so cancelled.

66. The Company may, from time to time, by Special Resolution and on compliance with the provisions of Sections 100 to 105 of the Act, reduce its share capital and any capital reserve fund or share premium account.

67. The Company shall have power to establish Branch Offices, subject to the provisions of Section 8 of the Act or any statutory modifications thereof.

68. The Company shall have power to pay interest out of its capital on so much of Shares which were issued for the purpose of raising money to defray the expenses of the construction of any work or building or the provisions of any plant for the Company in accordance with the provisions of Sections 208 of the Act.

69. The Company, if authorized by a Special Resolution passed at a General Meeting may amalgamate or cause itself to be amalgamated with any other person, firm or body corporate, subject however, to the provisions of Sections 391 to 394 of the Act.

VOTES OF MEMBERS

81. Subject to any rights or restrictions for the time being attached to any class or classes of Shares:

    (a) on a show of hands, every member present in person shall have one vote: and

    (b) on a poll, the voting rights of Members shall be as laid down in Section 87 of the Act.

82. In the case of joint holders, the vote of the senior who tenders a vote whether in person or by Proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names of joint holders stand in the Register.

83. A member of unsound mind or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll by his committee or other legal guardian, and any such committee or guardian may on a poll, vote by Proxy, provided that such evidence as the Board may require of the authority of the person claiming to vote shall have been deposited at the Office not less than 24 hours before the time of holding the Meeting or adjourned Meeting at which such person claims to vote on poll.

84. No member shall be entitled to vote at any General Meeting unless all calls, and other sums presently payable by him in respect of Shares in the Company or in respect of Shares on which the Company has exercised any right of lien, have been paid.

85. (1) No objection shall be raised to the qualification of any voter, except at the Meeting or adjourned Meeting at which the vote objected to is given or tendered and every vote not disallowed at such Meeting shall be valid for all purposes.

    (2) Any such objection made in due time shall be referred to the Chairman of the Meeting, whose decision thereon shall be final and conclusive.

86. The instrument appointing a Proxy and the power of attorney or other authority, if any under which it is signed or a notarially certified copy of that power or authority shall be deposited at the Office, not less than 48 hours before the time for holding the adjourned Meeting at which the person named in the instrument proposes to vote, or in the case of a poll, not less than 24 hours before the time appointed for the taking of the poll: and in default the instrument of Proxy shall not be treated valid.

87. An instrument appointing a Proxy shall be in either of the forms in Schedule IX to the Act or in a form as near thereto as circumstances admit.

88. A vote given in accordance with the terms of an instrument of Proxy shall be valid notwithstanding the previous death or insanity of the principal or the revocation of the Proxy or of the authority under which the Proxy was executed or the transfer or the Shares in respect of which the Proxy is given, if no intimation in writing of such death, insanity revocation or transfer shall have been received by the Company at the Office before commencement of the Meeting or adjourned Meeting at which the Proxy is used.

BORROWING POWER

107. Subject to the provisions of Sections 58A, 292 and 293 of the Act, and the regulations there under and Directions issued by the RBI the Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property (both present and future) and uncalled capital, or any part hereof and to issue Debentures and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

108. The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit and in particular by a resolution passed at a meeting of the Board (and not by circulation) by the issue of Debenture, charged upon all or any of the property of the Company (both present and future), including its uncalled capital for the time being.

109. Any Debentures or other securities may be issued at a discount, premium or otherwise, may be made assignable free from any equities between the Company and person to whom the same may be issued and may be issued on the condition that they shall be convertible into Shares of any authorized denomination, and with privileges and conditions as to redemption, surrender, drawings, allotment of Shares, attending (but not voting) at general meetings, appointment of Directors and otherwise provided that Debentures with the right to allotment of or conversion into Shares shall not be issued except with the sanction of the Company in General Meeting by a Special Resolution.

110. All cheques, promissory notes, drafts, hundies, bills of exchange and other negotiable instruments and all receipts for moneys paid to the Company, shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, by such person and in such manner as the Board may, from time to time, by resolution determine.

DIVIDENDS AND RESERVES

127. The Company in General meeting may declare Dividends but no Dividend shall exceed the amount recommended by the Board.

128. The Board may, from time to time, pay to the Members such interim Dividends as appear it to be justified by the profits earned by the Company.

129. Where the Company has declared a Dividend but which has not been paid or the Dividend warrant in respect thereof has not been posted within 30 days from the date of declaration to any shareholder entitled to the payment of the Dividend, the Company shall within 7 days from the date of expiry of the said period of 30 days, open a special account in that behalf in any scheduled bank called "Unpaid Dividend Account of INDOSOLAR Limited" and transfer to the said account, the total amount of Dividend which remains unpaid or in relation to which no Dividend warrant has been posted.

130. Any money transferred to the unpaid Dividend account of the Company which remains unpaid or unclaimed for a period of seven Years from the date of such transfer, shall be transferred by the Company to the general revenue account of the Central Government. A claim to any money so transferred to the general revenue account may be preferred to the Central Government by the shareholders to whom the money is due.

131. There shall be no forfeiture of unclaimed Dividends before the claim becomes barred by law and the Company shall comply with all the provisions of Section 205A of the Act in respect of unpaid or unclaimed Dividend.

132. (1) The Board may, before recommending any Dividend, set aside out of the profits of the Company, such sums, as it may think proper, as reserve or reserves which shall at the discretion of the Board, be applicable for any of the purposes to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising Dividends and pending such applications may at the like discretion either be employed in the business of the Company or be invested in such investments (other than Shares) as the Board may, from time to time, think fit.

(2) The Board may also carry forward any profits which it may think prudent not to divide, without setting them aside as a reserve.

133. (1) All Dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the Dividend is paid.

(2) No amount paid or credited as paid on a Share in advance of calls shall be treated for the purposes of this Regulation as having been paid on the Share.

(3) All Dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the Shares during any portion or portions of the period in respect of which the

Dividend is paid but if any Share is issued on terms providing that it shall rank for Dividend as from a particular date such Share shall rank for Dividend accordingly.

134. The Board may deduct from any Dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the Shares subject to section 205A of the Act.

135. (1) Any Dividend, interest or other moneys payable in cash in respect of Shares may be paid by cheque or warrant sent through the post directed to the registered address of the holder or in case of joint holders, to the registered address of that one of the joint holders who is first named on the Register, or to such persons and to such address as the first named holder or joint holders may in writing direct.

(2) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.

136. Any one of two or more joint holders of a Share may give effectual receipts for any Dividends, bonus or other moneys payable in respect of such Share.

137. Notice of any Dividend that may have been declared shall be given to the persons entitled to Share therein in the manner mentioned in the Act.

138. No Dividend shall bear interest against the Company, irrespective of the reason for which it has remained unpaid.

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by our Company. These contracts, copies of which have been attached to the copy of this Red Herring Prospectus, delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at our Registered and Corporate Office from 10.00 am to 4.00 pm on Working Days from the date of the Red Herring Prospectus until the Bid Closing Date.

Material Contracts in relation to this Issue

1. Issue Agreement between our Company and the Book Running Lead Manager dated January 12, 2010.

2. Memorandum of Understanding between our Company and Registrar to the Issue dated January 09, 2010.

3. Escrow Agreement dated [●] among our Company, the Book Running Lead Manager, the Escrow Collection Banks and the Registrar to the Issue.

4. Syndicate Agreement dated [●] among our Company, the Book Running Lead Manager and the Registrar to the Issue.

5. Underwriting Agreement dated [●] among our Company and the Book Running Lead Manager.

6. Agreement dated February 24, 2010 among NSDL, our Company and the Registrar to the Issue.

7. Agreement dated February 19, 2010 among CDSL, our Company and the Registrar to the Issue.

Material Documents

1. Our Memorandum and Articles, as amended from time to time.

2. Our certificates of incorporation dated October 12, 2009 and October 30, 2009 pursuant to the change in status and the name of our Company.

3. Resolutions passed by our Board and the IPO Committee thereof, dated January 7, 2010 and January 13, 2010, respectively in relation to this Issue.

4. Shareholders' resolution in relation to this Issue dated January 7, 2010.

5. Shareholders' resolution dated October 27, 2009, confirming the remuneration and appointment of Mr. Bhushan Kumar Gupta, as the Executive Chaiman of our Company, with effect from September 26, 2009 till September 25, 2012.

6. Shareholders' resolution dated October 27, 2009, confirming the remuneration and appointment of the Mr. Hulas Rahul Gupta as the Managing Director of our Company, with effect from September 26, 2009 till September 25, 2012.

7. Shareholders' resolution dated October 27, 2009, confirming the remuneration and appointment of the Mr. Anand Kumar Agarwal as a whole-time Director of our Company, with effect from September 26, 2009 till September 25, 2012.

8. Business Disassociation Agreement dated October 28, 2009 among our Company, our Promoters and the Erstwhile Promoters.

9. The scheme of amalgamation of the Transferor Company with our Company as sanctioned by the High Court of Delhi at New Delhi by its order dated September 16, 2009.

10. Share subscription agreement dated March 30, 2010 between Brand Equity Treaties Limited, our Company, Mr. Bhushan Kumar Gupta and Mr. Hulas Rahul Gupta.

11. Equity share subscription agreement dated April 27, 2010 between Schmid Singapore Pte. Ltd. and our Company.

12. Summary Statements of Assets and Liabilities and Summary Statement of Profits and Losses, as Restated and Cash Flows, as restated, under Indian GAAP for the period 8 April 2005 to 31 March 2006, financial years ended 31 March 2007, 31 March 2008, 31 March 2009 and 31 March 2010 audited by M/s. B S R and Associates, Chartered Accountants and their audit report on the same, dated June 7, 2010.

13. Certificate dated September 1, 2010 from Singhal Dinesh & Co, Chartered Accountants in relation to the estimated cost of Line 3.

14. Copies of annual reports of our Company for the period 8 April 2005 to 31 March 2006, financial years ended 31 March 2007, 31 March 2008, 31 March 2009 and 31 March 2010.

15. Consent of the Auditor for inclusion of their reports on restated financial statements and auditors report on audited financial statements period 8 April 2005 to 31 March 2006, financial years ended 31 March 2007, 31 March 2008, 31 March 2009 and and 31 March 2010.

16. Lease deed dated November 21, 2005 with the Greater Noida Industrial Development Authority for lease of the Land.

17. Joint business development agreement dated January 15, 2008 between the Erstwhile Promoters and the Transferor Company.

18. Application dated December 22, 2009 to the Central Government to approve the remuneration payable to Mr. Bhushan Kumar Gupta, Mr. Hulas Rahul Gupta and Mr. Anand Kumar Agarwal.

19. Consents of Bankers to the Company, Book Running Lead Manager, Registrar to the Issue, Escrow Collection Bank(s), Bankers to the Issue, Refund Banker, IPO Grading Agency, domestic legal counsel to the Issue, Book Running Lead Manager, Directors, Company Secretary and Compliance Officer, as referred to, in their respective capacities.

20. Report of the IPO grading agency, CRISIL Limited, furnishing the rationale for its grading.

21. The following reports of Solarbuzz LLC: (i) "Marketbuzz 2010"; (ii) "Marketbuzz 2009"; and (iii) "Solarbuzz Quarterly - Third Quarter 2009 Report".

22. In-principle listing approvals dated February 23, 2010 and March 2, 2010 received from the NSE and the BSE, respectively.

23. Due diligence certificate dated January 13, 2010 provided to the SEBI from the Book Running Lead Manager.

24. SEBI observation letter No. SRO/CFD/DIL/EIF2010/2/5840 dated February 24, 2010 and reply to the same dated March 5, 2010.

25. SEBI observation letter No. SRO/CFD/DIL/EIF/2010/2/1843/2010 dated April 20, 2010 and reply to the same dated June 11, 2010.

Any of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time, if so required in the interest of our Company or if required by the other parties, without reference to the shareholders, subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

In accordance with Section 61 of the Companies Act, in the event any of the material contracts mentioned in this section are required to be modified or amended, post the filing of the Prospectus with the RoC, reference shall be made to the shareholders of our Company for the same.

DECLARATION

We, the Directors, certify that all relevant provisions of the Companies Act and the regulations issued by the GoI or SEBI, as applicable, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the SEBI Act or the rules made or regulations issued thereunder, and that all approvals and permissions required to carry on the business of our Company have been obtained, are currently valid and have been complied with. We further certify that all the statements in this Red Herring Prospectus are true and correct.

SIGNED BY THE MANAGING DIRECTOR	SIGNED BY THE CHIEF FINANCIAL OFFICER
Mr. Hulas Rahul Gupta Whole-time Director	Mr. Anand Kumar Agarwal Whole-time Director

SIGNED BY THE OTHER DIRECTORS OF OUR COMPANY

Mr. Bhushan Kumar Gupta Chairman and Whole-time Director	Mr. Gautam Singh Kuthari Director
Mr. Ravinder Khanna Director	Mr. Aditya Jain Director

SIGNED BY THE COMPANY SECRETARY

Mr. Atul Kumar Mittal

Date: September 4, 2010
Place: New Delhi

ANNEXURE A

Indosolar Ltd.

CRISIL IPO Grade 3/5 (average)

March 16, 2010

Grade
CRISIL IPO Grade '3/5': The grade indicates that the fundamentals of the issue are average relative to other listed equity securities in India. However, this grade is not an opinion on whether the issue price is appropriate in relation to the issue fundamentals

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Issue Details	
Shares offered to public	NA
As per cent of post-issue equity	NA
Object of the issue	Equity funding for Line 3 and general corporate purpose
Amount proposed to be raised	Rs 4,000 Mn
Price band	Not available
Lead managers	ENAM Securities Private Ltd

Company Background
Indosolar Ltd. is engaged in the manufacture of solar photo voltaic (SPV) cells from crystalline silicon wafers for converting sunlight directly into electricity. The company was incorporated under the Companies Act on April 8, 2005. The company started manufacturing SPV in July 2009 with the commissioning of Line 1 having an annual manufacturing capacity of 80 MW.

Grading Highlights

Business Prospects

- Depleting energy reserves and consensus on emission cuts by countries across the globe augur well for the growth of the solar industry. During 2004-08, the solar power generation capacity grew at a CAGR of 47 per cent to 13,424 MW.
- The cost of generation of solar power is very high and is therefore, uncompetitive as compared to other conventional sources of power generation.
- Therefore, it is dependent on the government's support and push. Many governments across the world have doled out subsidies and incentives schemes to promote this clean source of energy. The withdrawal of any of the support schemes, until the technology becomes competitive, could cause major demand-supply imbalance
- Indosolar is a new entrant in the PV cells manufacturing industry and is expected to face strong competition from large and established players.
- Indosolar has a strong technical tie-up with Schmid, one of the leaders in SPV cell manufacturing technology.
- The technology for manufacturing SPV is still evolving. Any major breakthrough in technology could result in obsolescence of the technology being used by existing players such as Indosolar
- Claim towards capital subsidy of around ~Rs 2,500 Mn would help the company become more cost competitive.

Financial Performance

- Indosolar commissioned its Line 1 with an annual manufacturing capacity of 80 MW in July 2009. However, capacity utilization was very low due to poor offtake till November 2009.
- Line 2 with the same capacity as Line 1 is expected to be commissioned by March 2010.
- The company has incurred a capital expenditure of Rs 6,670 Mn towards Line 1 and Line 2. These projects were funded partly through debt amounting to Rs 4,600 Mn and balance through equity contribution by promoters.
- The company plans to fund Line 3, having an annual capacity of 100 MW, through the IPO proceeds.
- As on 5th January 2010, the company has a strong order book of 78.08 MW with a contract value of Rs 5,063.9 Mn
- Capital subsidy of ~Rs 2,500 Mn from the Indian government would help in reducing capital cost and gearing level

Management Capabilities

- Although this is a new line of business, the promoters have demonstrated their strong business acumen in their previous venture, Halonix.
- The R & D team includes three researchers having experience in the solar photo voltic and semiconductor industry. They plan to focus on increasing cell efficiency and improvement in the production processes.

Corporate Governance

- The board conforms to the minimum requirements of composition with respect to independent directors.
- The independent directors of Indosolar bring a varied mix of experience to the company.
- The audit committee is chaired by Mr Adit Jain who has extensive experience in finance.

Detailed Grading Rationale

Overall Grading Summary (CRISIL IPO Grade 3/5)

To arrive at the overall grade, CRISIL has considered the following parameters:

- Business prospects and financial performance
- Management capability
- Corporate governance

CRISIL has assigned a CRISIL IPO Grade '3/5' (pronounced 'three on five') to the proposed Initial Public Offer of Indosolar Ltd. The grade indicates that the fundamentals of the issue are **average** relative to other listed equity securities in India. However, this grade is not an opinion on whether the issue price is appropriate in relation to the issue fundamentals. The offer price for the issue may be higher or lower than the level justified by its fundamentals. The grade is not a recommendation to buy / sell or hold the graded instrument, the graded instrument's future market price or its suitability for a particular investor.

The grading assigned reflects CRISIL's view that the depleting energy reserves and the consensus among various nations to cut emissions and focus on an alternative clean source of energy is positive for the solar industry. The grading also reflects the strong track record of the promoters with respect to their previous technology-intensive venture at Halonix (Earlier Phoenix Lamps). However, the grading is tempered by the fact that Indosolar has no prior experience in the solar PV cells business and is expected to face competition from large and established players. Further, the grading also takes into consideration the fact that the growth of the solar industry would depend entirely on governmental support as the cost of power generation, currently, is very high. The grading is also weighed down by the fact that the technology for manufacturing SPV is still evolving and therefore, carries the risk of obsolescence for existing players including Indosolar.

- ***Depleting reserves, emission cuts augur well for the solar industry***

Energy Consumption has gone up significantly over the last 50 years resulting in a huge decline in reserve- to-production ratio. Countries around the world are increasingly becoming aware of the hazards of climate change, the need for emission cuts and alternative clean energy technology. The Kyoto protocol signed by various countries to reduce carbon emissions also boosts the demand for non-conventional power. In the context, solar power generation capacities have grown at a CAGR of 47 per cent during the 2004 to 2008 period to reach 13,424 MW. Although the industry witnessed a slump in investments during 2009, growth is expected to rebound on falling prices of silicon, resulting in lower capital costs for installing solar power capacity and increasing impetus from the governments of various countries.

- ***Uncompetitive to conventional fuels; High dependence on governmental support***

As solar power continues to be uncompetitive as compared to the conventional source of power generation, the industry's growth depends almost entirely on governmental support. Many countries have doled out subsidy and incentives to promote solar applications. Europe has taken the lead to promote solar power through Feed–in-tariff schemes (FIT). Other countries are also likely to purse schemes to promote solar power aggressively. The Jawaharlal Nehru National Solar Mission, launched in January 2010 in India, envisages an investor-friendly mechanism that reduces risk and provides an attractive as well as sufficiently extended tariff for solar power offtake. This mission has targeted to increase the solar power generation capacity to 20,000 MW by the end of Thirteenth Five-Year Plan (by 2022) from the current capacity of 80-100 MW. The trading arm of National Thermal Power Corporation (NTPC) has been appointed as the nodal agency to sell solar power by bundling NTPC's low cost power (equal MW thermal power capacity to be allocated from central quota) which would reduce the selling cost to Rs 5.5-6 per unit from Rs 18-18.5.

Any reversal or withdrawal of the incentive schemes by countries would cause demand-supply imbalance. However, given the consensus among nations to promote emissions cuts and use clean fuel, the incentives and support (in the form of subsidies in capital cost, Feed-in-tariff etc) is expected to be made available for the industry till the time the industry becomes competitive.

Table1: High cost compared to conventional fuels

Fuel	Coal Based	Gas Based	Wind Based	Solar Based
Capital Cost per MW	Rs 4.5-4.7 Cr	Rs 3.5-4 Cr	Rs 5.5-6 Cr	Rs 15.5-16 Cr
Per unit cost of generation#	Rs 2.7-3	Rs 2.6-3.1	Rs 5.5-5.8	Rs 18-18.5

Source: CRISIL Research
#In India

- ***Use of proven technology; Tie-up with Schmid***

Indolsolar uses crystalline silicon SPV cell technology to manufacture PV cells. This technology has been tested and commercially implemented by major PV players and accounts for more than 93% of global PV manufacturing capacity. The production lines have been procured from Schmid, one of the world leaders in PV technology, whose clients include REC and Moser Baer PV. Under the contract, Schmid is mandated to provide operational efficiency of 15.5% within 6 months of commercial production. The tie-up also entitles the company to free transfer of any improvement in technology within 5 years of installation of the facility, free of cost.

- ***Technology still in the stage of evolution; Risk of obsolescence***

The technology for manufacturing SPV cells is still at a nascent stage and evolving. Currently, crystalline (First Generation technology) technology accounts for 93% of the globally installed PV manufacturing capacity. Most of the players in the PV manufacturing space are working on improving the efficiency of wafers. Research is also happening on the second generation (thin film) and third generation (nanostrucuture) technologies. However, the thin-film technology has not been widely accepted, despite its lower cost advantage (30-40%), due to its very low operational efficiency (6-7%) and problems related to installations. While, any major breakthrough could result in obsolescence of the technology being used by existing players, the risk for Indosolar is partly mitigated by the use of proven and established crystalline wafer technology.

- ***Promoter experience in entrepreneurial and technology-intensive ventures***

The current promoters Mr. B.K. Gupta and Mr. Hulus Rahul Gupta have considerable experience in running technology-intensive ventures. The current promoters were running Halonix, engaged in manufacture of halogen lamps, before they sold out their stake to a private equity player in 2007. Under their leadership, the company grew from manufacturing 500 lamps a month in 1989 to 9,000,000 lamps per month in 2007. Halonix is the fourth largest automotive headlamps manufacturer in the world and holds a 7 per cent share of the global market.

- ***Claim towards capital subsidy to reduce cost***

Indosolar is entitled to 25% capital subsidy under the "Special Incentive Package Scheme" of 2007 notified by the Government of India (GoI) and has been granted an in-principal approval on June 1, 2009 by the Indian Ministry of Communication and Information technology. The company needs to achieve a threshold capital expenditure (Actual spend) of Rs 10 Bn to claim subsidy. However, financial closure is required to be achieved by March 31, 2010. Capital expenditure on Line 3 would help in reaching the threshold amount and its entitlement towards capital subsidy of around Rs 2,500 Mn. The capital subsidy would help in reducing capital cost and therefore, become more cost competitive in SPV cells manufacturing.

Financials

- In July 2009, Indosolar commissioned its Line 1 with a manufacturing capacity of 80 MW per annum. However the capacity utilization was very low due to the poor demand condition till November 2009
- Line 2, also of 80 MW capacity, is expected to be commissioned by March 2010.
- The company has incurred a capital expenditure of Rs 6,670 Mn for Line 1 and Line 2, funded through a mix of debt (of Rs 4,600 Mn) and equity contribution from the promoters.
- As on 5th January 2010, the company has a strong order book of 78.08 MW with a contract value of Rs 5,063.9 Mn.
- IPO proceed of Rs 4,000 Mn would be mainly used to fund the expansion of Line 3, with an annual capacity of 100 MW.
- Capital subsidy of ~Rs 2,500 Mn would help in reducing capital cost and gearing level.
- Till December 2009, the company had sold 3.36 MW of SPV cells for an aggregate value of Rs 215.26 Mn.

Table2: Break-up of the IPO proceed

Sr No	Project description	(Rs Mn)
1	Setting up of Line 3	3,600
2	General Corporate Expenses	400
	Total	**4,000**

Source: DRHP

Business Profile

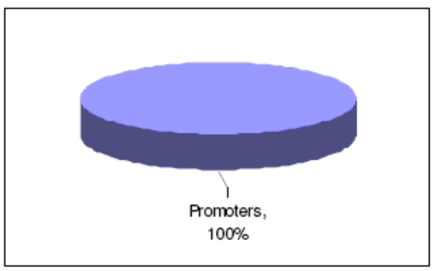
Indosolar Ltd. is engaged in manufacturing of solar photo voltaic (SPV) cells from crystalline silicon wafers used for converting sunlight directly into electricity. The company was incorporated under the Companies Act, 1956 on April 8, 2005 and was subsequently, acquired by the current promoters Mr B.K. Gupta and his son, Mr Hulas Rahul Gupta in 2006. The company started manufacturing SPV cells in July 2009 following the commissioning of Line 1 with an annual manufacturing capacity of 80 MW.

Indosolar is looking at expanding its manufacturing capacity further. Expansion through Line 2 with an annual capacity of 80 MW is under progress and is expected to be commissioned by March 2010. The company plans to raise funds through its IPO mainly to fund the expansion of Line 3 which would have an annual manufacturing capacity of 100 MW. The company has state-of-the art manufacturing facility in Noida, Uttar Pradesh, commissioned on a turnkey basis by Schmid, one of the leading global technology providers. The facility has been granted EOU status pursuant to which it is entitled to certain direct and indirect tax benefits. However, the direct tax benefit is set to expire in 2010-11, unless extended.

The SPV cells produced by the company are primarily sold to module manufacturers on a business to business platform who in turn supply the modules to system integrators who install systems for grid and off-grid applications.

As on 5th January 2010, the company had an order book of 78.08 MW of SPV cells for a contract value of Rs 5,063.9 Mn.

Indosolar: Shareholding Pattern

Pre-IPO	Post-IPO
	NA#

Source: DRHP

#The company is yet to decide the pricing and number of shares to raise Rs 4,000 Mn through IPO

Profile of Management and Board

Mr B.K.Gupta, promoter, is the executive chairman of the board. Mr Hulas Rahul Gupta, promoter, is the CEO of the company. He had served as the CEO of the erstwhile Halonix. The company has a highly experienced team of people at the second level of management. Dr. Dina Nath Singh, who has more than 35 years of experience in the field of semiconductors and R &D matter, is the Chief Technical Officer of the company. The company's board has 6 directors, 3 of whom are independent directors. All the independent directors have extensive and relevant knowledge. Mr Ravinder Khanna, one of the independent directors, has experience in the SPV industry and is expected to guide the management on the industry. Mr Adit Jain, one of the independent directors and also Chairman of the audit committee, is highly knowledgeable in the finance field.

Annexure: Profile of the Directors

Name of Directors	Designation	Age (years)	Qualification	Key positions held
Mr. Bhushan Kumar Gupta	Executive Chairman	73		Promoter
Mr. Hulas Rahul Gupta	Managing Director	50	B.A.Concordia University, Canada	Promoter
Mr. Anand Kumar Agarwal	Executive Director & CFO	60	B.com Shri Ram College, New Delhi	Experience in Sales, Finance, Taxation ,Legal ,Business Administration and Planning
Mr. Ravinder Khanna	Independent Non Executive Director	50	MSc, PEC, Chandigarh MBA, Symbiosis, Pune	Experience in Marketing, Sales, Finance.
Mr. Adit Jain	Independent Non Executive Director	49	MSc, Birla Institute of Technology MBA, Henly Management College,UK	Experience in Corporate Advisory Services, Mergers & Acquisitions.Also on board of companies like Shriram Transport,MTNL
Mr. Gautam Singh Kuthari	Independent Non Executive Director	50	B.com, Delhi University	Experience in Textiles, Advertisements, Film Making, International Commodity Trading, FMGC, Ship Breaking, Lighting to Metal Industry.

Source: DRHP