Form A

Format of covering letter of the annual audit report to be filled with the stock exchanges

1.	Name of the Company	Moser Baer India Limited
2.	Annual Financial Statements for the year ended	Nine months period ended December 312013
3.	Type of Audit Observation	A. Emphasis of Matter in the Independent Auditors' Report dated February 28, 2014 on the standalone financial statements: The report of Statutory Auditors contains the following observations on the financial statement: (a) We draw attention to note 44(d) and 45 to the financial statements which describes the ongoing re-structuring discussion with FCCB holders, the related accounting and the fact that the Company has incurred a net loss of Rs. 4,466,627,030 during the period 1 April 2013 to 31 December 2013, and as of 31 December 2013 the Company's accumulated losses aggregate to Rs. 3,436,395,366 resulting into a complete erosion of the net worth of the Company. Further as on that date, the Company's current liabilities exceed its current assets by Rs.9,671,083,236. These conditions, along with matters set forth in note 44(d) and 45, indicate the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our

		opinion is not qualified in respect of this matter. (b) We draw attention to note 49 to the financial statements with respect to management's assessment of permanent diminution in the value of investments and recoverability of advances and other receivables from three subsidiaries namely Helios Photo Voltaic Limited (HPVL) (formerly known as Moser Baer Photovaltaic Limited), Moser Baer Solar Limited (MBSL) and Moser Baer Entertainment Limited (MBEL) aggregating to Rs. 1,582,762,004, Rs. 6,141,411,910 and Rs.3,271,631,829 respectively.The conclusion of diminution in the value of investments and recoverability of advances and other receivables are dependent on successful implementation of business plans and new technologies, external market conditions, regulatory benefits and full implementation of debt restructuring in the terms as proposed by the HVPL and MBSL, which are materially uncertain. Our opinion is not qualified in respect of this matter.
		(c) Observation in CARO statement as per clause (x) of the annexure: In our opinion, the Company's accumulated losses at the end of the period are more than fifty percent of its net worth. The Company has incurred cash losses in the current period and the immediately preceding financial year.
		B. Emphasis of Matter in the Independent Auditors' Report dated February 28, 2014 on the Consolidated financial statements:

		The report of Statutory Auditors contains the following observations on the financial statement: (a) We draw attention to note 47(a) and 52 to the consolidated financial statements which describes the ongoing re-structuring discussion with FCCB holders, the related accounting, and the fact that the Group has incurred a net loss of Rs. 6,955,644,158 during the period April 1, 2013 to December 31, 2013, and as of December 31, 2013 the Group's accumulated losses aggregate to Rs. 26,894,985,959 resulting in a complete erosion of the net worth of the Group. Further as on that date, the Group's current liabilities exceed its current assets by Rs. 12,574,642,068. These conditions along with matters set forth in note 47(a) and 52, indicate the existence of material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. Our opinion is not qualified in respect of this matter. (b) We draw attention to note 46 to the consolidated financial statements with respect to impairment assessment of fixed assets carried out by the management of two subsidiary companies, Moser Baer Solar Limited (MBSL) and Helios Photo Voltaic Limited (HPVL) (formerly known as Moser Baer Photo Voltaic Limited). The aforementioned assessments and conclusion thereof are based on certain assumptions, including, external market conditions of solar market, successful implementation of the Corporate Debt Restructuring Scheme, ability of new technology to perform, regulatory benefits, which are materially uncertain. Our opinion

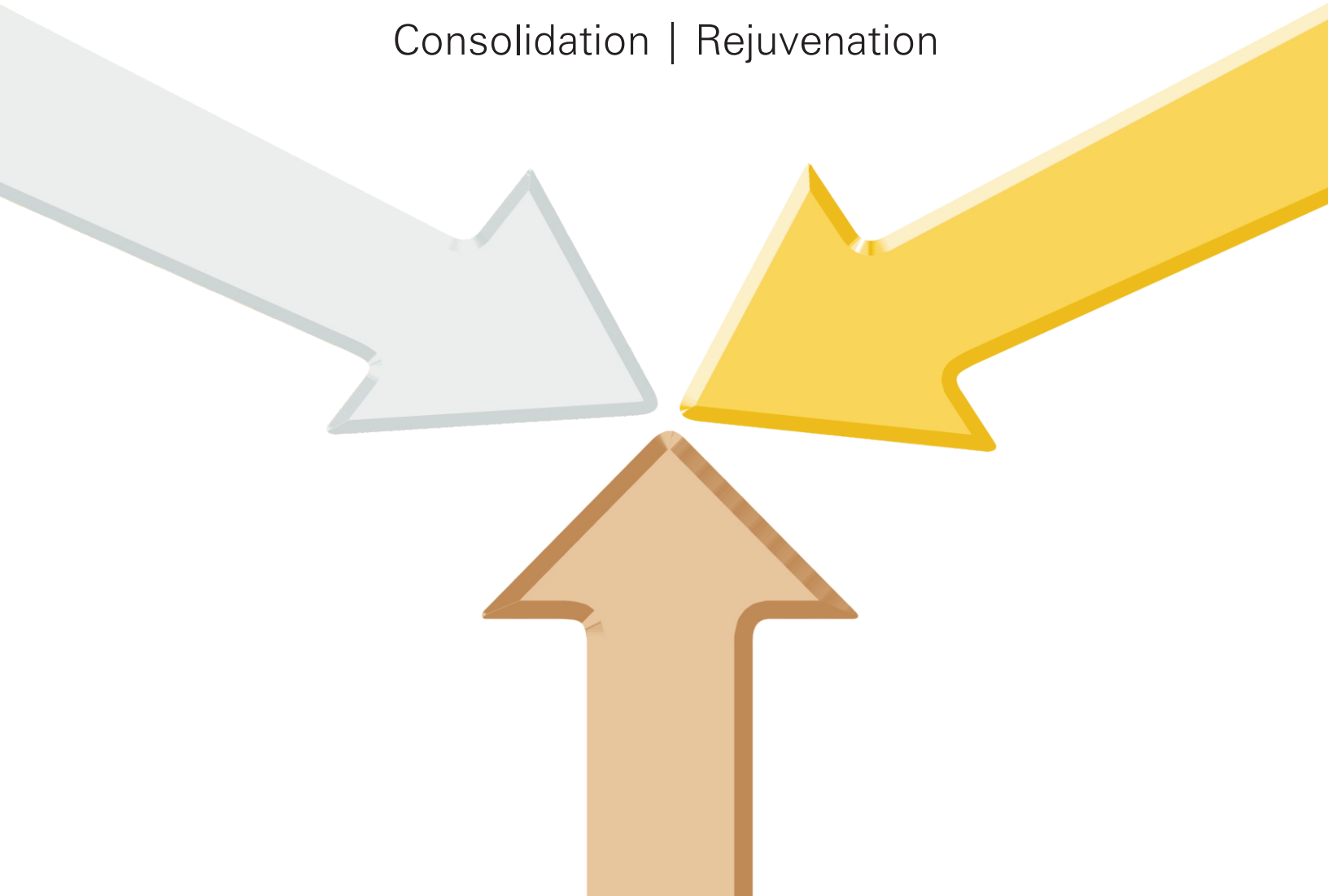
		is not qualified in respect of this matter. (c) We draw attention to Note 37(b) to the consolidated financial statements regarding recoverability of advances and settlement of claims with two vendors, aggregating to Rs. 367,444,659 and Rs. 1,934,561,872 respectively, which are under litigation. Pending ultimate outcome of the matter, which is presently unascertainable, no adjustments have been made to the financial statements. Our opinion is not qualified in respect of this matter.
4.	Frequency of Observation	**Observation in Standalone financial statements** (a)hasbeen appearing since year ended March 31, 2013. However, in audit report on the financial statements for year ended March 31, 2013, the auditors had given emphasis of matter only on the uncertainties related to ongoing dispute with the bond holders and accounting for the bonds. (b)has been appearingsince year ended March 31, 2012. In audit report on the financial statements for the years ended March 31, 2012 and March 31, 2013, the auditors had given emphasis of matter on recoverability of investments and advances from only 2 subsidiaries namely Moser Baer Solar Limited and Helios Photo Voltaic Limited (formerly known as Moser Baer Photo Voltaic Limited). **Observation in CARO statement** (a) has been appearing since year ended March 31, 2013 **Observation in Consolidated financial statement** (a) has been appearing since year ended March 31, 2013.

		However, in audit report on the consolidated financial statements for year ended March 31, 2013, the auditors had given emphasis of matter on the uncertainties related to ongoing dispute with the bond holders and accounting for the same. (b) has been appearing since year ended March 31, 2012 (c)has appeared in the current periodended December 31 2013.
5.	To be signed by - Managing Director Mr. Deepak Puri CFO Mr. Yogesh Mathur Auditor of the Company For Walker, Chandiok & Co Chartered Accountants Firm Registration No.: 001076N Per Ashish Gupta Partner Membership No. 504652 Place: New Delhi Date: 28 February, 2014 Audit Committee Chairman Mr. Sanjay Jain	

moserbaer

Annual Report | Apr-Dec 13

Consolidation | Rejuvenation



Contents

VISION

"Touching every life across the globe through high technology products and services"

MISSION

We will drive growth through our excellence in mass manufacturing. We will move up the value chain through rapid development of technology, products and services. We will leverage our relationships, distribution, cost leadership and "can do" attitude to become a global market leader in every business.

YEAR AT A GLANCE

CONSOLIDATION

- Integrating manufacturing facilities to optimise resources & drive supply chain synergies.
- Rationalization of operating costs in manufacturing.
- Reducing inventory levels in the storage media business.
- Approval of the Corporate Debt Restructuring (CDR) Schemes and its implementation.

REJUVENATION

- Moser Baer collaborated with a global player to manufacture and supply security tokens, smart cards and SIM cards.
- The solar manufacturing unit has become the first and only high technology brand from India to achieve Rs. 100 Crore exports to the highly competitive and quality conscious Japan market.
- The Solar arm of the company emerged as the largest solar EPC player in India with more than 250 MW of installations across the country
- Created new benchmarks in completing large scale ground mounted solar farms
- The fledgling LED lighting business in pilot phase, acclaimed among the top LED tube lights players in India.

CORPORATE SOCIAL RESPONSIBILITY

- Through Non-formal education centers, 151 out-of-school children / drop outs are now accessing basic education again
- Through our partnership with NASSCOM Foundation and Microsoft India, 784 students (492 Male & 292 Female) are accessing quality IT educational services
- Launched a library in Nandgram, Ghaziabad with 18000 books. The library has about 507 registered members
- Working with 140 youngsters in the industrial locations of Noida in Uttar Pradesh as part of yUDAI, a comprehensive training and mentoring programme for the overall development of youth as responsible citizens of the country.

CHAIRMAN'S MESSAGE

The world economy has experienced a subdued growth for another year in 2013, unable to meet even the modest projections of many institutional forecasters made earlier, including that of the World Economic Situation and Prospects (WESP) 2013. According to the information available, world gross product (WGP) is estimated to have grown by 2.1 per cent in 2013, lower than the baseline forecast of 2.4 per cent. While many would see this as negative growth, I would also say – it is better than many pessimistic scenarios that people had predicted.

Some signs of improvements have shown up more recently: the euro area has finally come out of a protracted recession, with gross domestic product (GDP) for the region as a whole returning to growth; a few large emerging economies, including China, seem to have backstopped a further slowdown and are poised to strengthen. The rejuvenation for the industry is ready to happen, now!

When you run an entrepreneurial business, you are hungry for more - you don't look back – you are ready to ride the curve. However, a business can be sustainable only when you consolidate and rejuvenate from time to time. While the process of consolidation is sometimes painful, it is essential for rejuvenation.

This year too, like last year we have seen our business go through tough times enhanced by negative sentiments surrounding the economy. The confidence reposed by our stakeholders in us even during these trying periods continues to stand us in the good stead. Our key stakeholders like customers, strategic suppliers, multiple bank consortiums and Moser Baer employees are appreciative of the current positive trends in the company which has successfully faced difficult situations in the past.

From a business standpoint, the period 01st April 2013 to 31st December 2013 was about consolidation and rejuvenation. We continued to focus on our core competencies in the Storage Media business and build on our technology heritage. The unique combination of well established and emerging businesses built on a common base of manufacturing excellence will form the base for a rejunvated Moser Baer.

Your company continues to be among the market leaders in the global storage media industry and No.1 solar EPC player in the country. We notice increasing demand for new generation storage media products that too in higher storage capacity. As part of its overall strategy for growth, your company has taken its first steps towards energy efficient lighting business though on pilot basis initially.

The Storage Media business includes Solid State Media segment (Flash Drives, SD and Micro SD cards) which continues to witness an increase in acceptability and usage due to ease of use and declining per unit costs. The segment continues to grow rapidly owing to young population in the country with increased disposable income. Such a transition in products and technology is core to the revival of our revenue model.

The turnaround in the global solar PV industry that started in the first half of CY 2013 gathered momentum during the second half of the year. The

technology understanding of the solar PV sector paved way for the solar subsidiary, Moser Baer Solar to firmly entrenching itself in the "highly quality focused" Japanese solar PV market. The solar subsidiary, has achieved sales of more than Rs 250 crore during the nine month period ending December, 2013. The solar arm should be able to rejuvenate on the back of government guidelines & policies like DCR, ADD (Anti Dumping Duty) and Central as well as State level solar missions. This will also help in rebuilding a strong and self sustaining domestic manufacturing sector capable of serving the growing demand for solar energy in India.

Your company continues to maintain its leadership position in the Indian solar EPC space with over 260 MW projects installed till date. The future is tough but we are well geared to surmount the challenges.

Notably, your company has focused on consolidation of its operations and improving processes. The slew of steps towards transitioning technology is likely to help the company overcome the challenges.

I must thank all of you, who have stood beside us in the tough moments and as we continue to drive towards "re-writing the future".

Best Regards,

(Deepak Puri)

BOARD OF DIRECTORS

MR. DEEPAK PURI
Chairman & Managing Director

MRS. NITA PURI
Whole Time Director

MR. JOHN LEVACK
Non-Executive and Nominee Director

MR. BERNARD GALLUS
Independent and Non-Executive Director

MR. VINEET SHARMA
Independent and Non-Executive Director

MR. SANJAY JAIN
Additional Director

MR. K. AJIT KUMAR
Nominee Director

MANAGEMENT DISCUSSION & ANALYSIS

INTRODUCTION

The nine month period (April-December 2013) continued to be challenging for Moser Baer given the backdrop of a challenging economic environment. Strong impetus was given to consolidation measures and restructuring of operations as we continued to focus on our core competencies in the Storage Media market and build on strengths in other businesses for sustainable development, encouraging and supporting value creation for our stakeholders in the long term.

As per IMF's World Economic Outlook (April 2014) report, World output growth declined for the third consecutive year to 3.0% in 2013 from 4.0% in 2011. For the third year in succession, Emerging Markets' output growth lowered to 4.7% in 2013 from 6.4% in 2011. Activity in many emerging market economies has been disappointing, although they continue to contribute to more than two-thirds of global growth. As per IMF, a strong recovery is expected in 2015 & 2016 for the global economy, Euro Area and Emerging Markets.

COMPANY OVERVIEW

For the nine month period ended December 31, 2013, Moser Baer continued to witness financial constraints and resultant supply chain bottlenecks that affected its operating performance. Continuous operating losses during the period whilst working on revival and re-structuring led to erosion of reserves. Given the need to transition in the Storage Media industry, the Company's focus continued to be on refocusing product lines accompanied by rationalization of operating costs in manufacturing and consolidation of operations to generate cost efficiencies.

- Total Revenue: For the nine month period ended December 31, 2013, the Company's total revenue including other income stood at INR 10,058 million on a standalone basis
- EBITDA (including other income) stood at INR 706 million for the period
- Cash and Liquidity: Net cash flows from operating activities stood at INR 313 million

For the nine month period ended December 31, 2013, Moser Baer's Business was affected by financial constraints that affected operations. While the overall global storage media industry remained largely stable, there were variations in the geographic and product mix compared to previous years. Moser Baer's Storage Media business undertook several steps that were aimed at lowering the operating costs and aligning resources to the current levels of operations.

Moser Baer continues to focus on its key strengths - wide geographic presence across the World, broad product portfolio across all formats, strong focus on quality and a strong distributor network. In a period spanning three

decades, the Company has globally developed itself as a preferred OEM brand through its high quality and credible products, supplied across the globe and is thus well placed to leverage the current and emerging market opportunities, both in respect of Blank Optical Media as well as Solid State Storage. Concurrent with this, the Company continues to retain its presence in the Domestic pre-recorded segment and leverage its strength in terms of Brand Franchise as well as distribution.

The Corporate Debt Restructuring (CDR) schemes of Moser Baer India Ltd. and its PV subsidiaries have been approved and are under implementation. Post successful implementation of the CDR scheme, the Storage Media business is expected to further ramp up resulting in improved operational and financial performance.

In the **solar PV segment**, during 2013 the global industry showed definitive signs of a turnaround as evident by the 16% Y-o-Y growth in global PV installations to 36 GW during the year (Solarbuzz).

Demand supply equilibrium in the global PV industry improved on account of a robust demand from China, Japan and the US during 2013 and signs of consolidation in the global PV industry. This improvement in the market environment led to stabilization in the PV module prices globally and improvement in the financial/operating performance of Tier I solar PV manufacturers.

The Indian PV market on the other hand slowed down marginally in 2013 on account of delay in implementation of Solar Policies of several States in India. During CY 2013, the Indian market witnessed 905 MW of solar PV installations compared to 982 MW in CY 2012. However, medium to long term outlook of the Indian market continues to remain strong with over 12 GW of cumulative solar PV capacity forecast by end of 2016 (Bridge to India).

This improved global macro environment along with a high potential domestic market provides opportunity to us to benefit from both these segments, given that we are the largest integrated PV manufacturer in India. We are currently focusing on high margin markets such as Japan and are poised to tap the emerging opportunities in the domestic and other export markets. In 2013, Moser Baer Solar became the only high end technology brand from India to achieve the significant milestone of over INR 1,000 million of PV module sales to Japan during Apr - Dec 13.

In 2013, Moser Baer Solar Ltd. maintained its leading position in the solar EPC segment and emerged as the largest player in India (Bridge to India). It has in total executed over 260 MW of projects across different PV technologies and terrains in India and recently, the company commissioned a 5 MW solar project for a prestigious PSU in January 2014.

STORAGE MEDIA

STORAGE MEDIA INDUSTRY

During the nine month period ended December 31, 2013, the ongoing re-alignments in the global Optical Media industry affected the demand and ASPs for all the top rung players. While the demand for Optical Media products declined in the developed markets, countries in Asia Pacific, Africa, Middle East & Latin America regions continued to develop as stable demand centers.

New generation Optical Media products like Blu-ray continue to witness broad based growth in demand in mature markets such as Japan, USA and Europe while the demand for the first generation products such as CDs have started witnessing a downtrend. Emerging Markets (including the home market), on the other hand remain stable for DVDs & Blu Ray products.

The Storage Media business includes Solid State Media segment (Flash Drives, SD and Micro SD cards) which has witnessed high growth in India and is growing globally due to ease of use and declining per unit costs. Rapid penetration of personal computing devices in the developing markets and robust increase in demand for smart phones globally is also driving up demand in the segment.

MOSER BAER'S STORAGE MEDIA BUSINESS

Moser Baer continues to remain one of the leading players in the global Storage Media industry both in terms of low cost mass manufacturing and in offering a wide range of high quality products spread across all formats. The Company on the back of its high quality standards and strong service offering continues to maintain business alliances with leading OEMs across the world. The company continues to supply its products across all regions of the World.

Given the need to transition in the Optical Media industry, our focus continued to be on rationalization of operating costs in manufacturing and consolidation of operations to generate cost efficiencies.

We are aggressively pursuing new geographies to capture incremental markets and acquire new customers and expect our Non-OEM market share to increase in the medium term. Going forward, this is expected to ensure better capacity utilization and growth while demanding near term liquidity support.

In the home market, we have been maintaining our leadership position in the CD segment and have increased our market share in DVD segment. The Blu-ray disc adoption has also been slowly increasing in the country.

Given the liquidity constrained manufacturing environment and the need to become more working capital efficient, Moser Baer was able to reduce inventory levels to meet part of the overall market demand.

Our ability to ramp up the Solid State Media (SSM) operations further to cater to the burgeoning demand in the segment is currently constrained on account of short term liquidity issues. Moser Baer as a brand has been strong in this segment and we expect an upswing in the segment with infusion of liquidity under CDR. We have also received OEM endorsement which we propose to leverage for volume growth.

During the period under consideration, we continued to expand our product offerings with a range of innovative product offerings to our existing OEM customers as well as towards the Non-OEM market. We continue to focus on the corporate segment and Retail products for gifting on special occasions and festivals. The Data Security products of the Company also witnessed strong growth. Our products 'Silico', 'Racer' and 'Ripple' have been very well received by the market.

Moser Baer has collaborated with Giesecke & Devrient (G & D) which is amongst the world's Top 3 players in smart cards/ SIM solutions to manufacture and supply security tokens, smart cards and SIM cards. This is a growing segment since secure digital signature is going to be a way of life for all e-governance activities as well as Income Tax filings.

Moser Baer is also one of the chosen suppliers to government customers through National Informatics Centre (NIC).Through the intervention of the Reserve Bank of India, the company is seeking to capture the security tokens business in all public sector banks under the domestic manufacturing preference policy of the Government.

In order to improve internal efficiencies yet retain a significant brand franchise, the company took further steps to rationalize its Home Entertainment Business. We have taken pro-active steps to consolidate the business and scale down our footprint while reducing operating costs including those relating to supply chain and manpower. In the process, the distribution network and resources are being synergized for better cost management and control. Further, in order to de-risk the business model, fresh content is only being acquired on a revenue sharing basis in order to limit the initial acquisition cost.

The Company has undertaken several steps aimed at improving material efficiencies while concurrently lowering the operating and overhead costs & aligning resources with current levels of operations. In the process, the Company has successfully consolidated all its manufacturing facilities for better resources utilization/optimization & to extract supply chain synergies. The current leaner setup benefits us both through lower plant energy loads and lower fixed overheads. We are also working towards rationalizing our power sourcing for further cost optimization. These steps are expected to positively impact the company's operations in the near to medium term.

OUTLOOK

In the medium term, the Optical Media industry within the developed markets is expected to witness a decline in demand for the first generation products CDs/DVDs while some growth in demand is expected for the high margin advanced formats such as Blu-ray discs. In the emerging markets, such as Africa, Latin America etc, the demand for DVDs is expected to remain stable in the near to medium term. In the home market, Moser Baer is increasing its market share in the DVD segment while consolidating its volumes in the CD segment. Furthermore, with potential improvement in liquidity as well as cost rationalization, we plan to compete for market share in selected markets, both through OEM and non-OEM channels.

In the near future, the Solid State Media segment is expected to be a key growth driver given the robust market demand and strong brand equity of Moser Baer. In the Security Token business, the government has taken steps to have increased security for e-governance and has advised the use of USB security tokens even in Class II in addition to Class III Digital Signatures. This is expected to multiply the market in the medium term. Steady growth in capacity utilization driven by liquidity support would be a key success factor.

The Company continues to focus on product innovation, upholding of its high quality standards, increase in its cost competitiveness and widening of its distribution network.

SOLAR PHOTOVOLTAIC

PHOTOVOLTAIC (PV) INDUSTRY

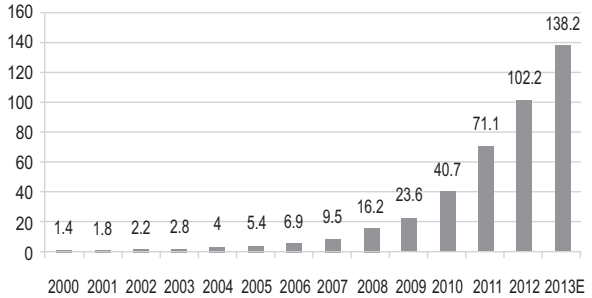
In CY 2013, the global solar PV industry emerged out of the downturn that started from early 2011 and was characterized by relentless price declines, triggered by massive increase in capacity by the Chinese manufacturers.

The turnaround in the global PV industry that started in the first half of CY 2013 gathered momentum during the second half of the year. Global PV installations are estimated to have increased by about 16% to reach 36 GW by the end of CY 2013 (Solarbuzz). Global PV installations during Q4 CY 2013 are estimated to have exceeded the 12 GW barrier for the first time ever.

The improvement in the global PV industry was accompanied with reversal in performance of Tier I global players along with the exit of less competitive Tier II/Tier III players. Gross margins of Tier I players stood at ~20% by the end of CY 2013.

This improvement in the financial performance of Tier I players was on account of stabilizing module prices, increase in market shares and continuous reduction in manufacturing costs. Market share of Tier I players stood at over 70% by the end of CY 2013.

Evolution of Global Cumulative Installed PV Capacity - 2000-2013 (Figures in GW)



Source: EPIA/(Solarbuzz for CY 2013 figure)

Reversal Triggered by Strong Demand from USA, Japan and China

The turnaround in the global PV industry was primarily driven by strong increase in demand from the US, Japan and Chinese markets. As per Solarbuzz, solar PV installations in the US grew by 15% Y-o-Y reaching 4.2 GW in CY 2013. Demand in the US market was largely driven by the improving economics of solar power amidst high cost of conventional power in the country.

PV installations in the Chinese market are estimated to have reached 12 GW in CY 2013, up by about 140% Y-o-Y (BNEF). The Chinese market was spurred by the Chinese Government's ambitious solar target of 35 GW of cumulative solar PV capacity by 2015.

As per industry estimates, solar PV installations in Japan are expected to reach 7 GW in CY 2013, up from about 2 GW in CY 2012. This robust increase in the Japan market was in response to the attractive feed-in-tariffs announced by Japan in 2012 in order to phase out nuclear power and substitute the same with solar energy.

Solar Power Inches Closer to Grid Parity

During 2013, solar power globally made long strides towards achieving parity with conventional sources of power. As per Deutsche Bank, Solar is currently competitive without subsidies in at least 19 markets globally and more markets are expected to reach grid parity in 2014 as system prices decline further. This further decline in systems prices is forecast on account of the anticipated decline in Balance of Systems costs and stabilization in module prices at current levels. The stabilization of module prices amidst increasing demand is on account of sustained reduction in the cost structure of PV manufacturers.

As per Solarbuzz, LCOE for solar photovoltaic (PV) systems is coming closer to retail electricity prices in the United States. In the US, Solar PV is already competitive with Tier 4 or 5 electricity rates at which power is consumed by commercial customers. PV is already cheaper in certain States, with prices for PV plants larger than 100 kW roughly half of retail electricity rates.

In the Indian market too, declining solar tariffs along with increasing prices of conventional energy has brought closer parity for solar power with conventional sources of energy. As per Bridge to India, Solar power is close to parity with commercial tariff paid by consumers in the States of Delhi, Maharashtra and Kerala. By 2016, over 45% of the Indian states are expected to achieve commercial parity. In other states such as Andhra Pradesh, Odisha, Gujarat, West Bengal and Rajasthan, solar for commercial consumers is competitive with grid electricity with the help of subsidies.

Restrictions on Chinese PV Exports to the European Union

In December 2013, the European Union approved a two year trade protection deal with China to curb imports of Chinese solar panels into the region. As per the terms of the deal, exports of solar PV cells and modules from Chinese PV manufacturers to the EU are limited to 7 GW per year. Chinese manufacturers that participated in the agreement provided a minimum price undertaking of Euro 0.56/watt and as a result were spared of being levied any anti dumping duties. For Solar modules/cells manufactured by producer-exporters that did not subscribe to a price undertaking, the Anti-dumping duties range from 36.2% to 53.4% and the Countervailing duties range from 6.4% to 11.5%

This resulted in providing opportunity to PV manufacturers from other regions including India to participate in the European PV market.

Chinese Government Domestic Support Measures Curbing Oversupply

In a move to curb market oversupply and increase the quality of its solar manufacturing sector, the Chinese Government has excluded almost 80% of operating manufacturers from benefitting from the domestic support measures. The Ministry of Industry and Information Technology (MIIT) received 500 applications for the list "photovoltaic manufacturing industry norms conditions" - approved companies that can continue to take part in state-run tenders and support mechanisms. Out of the 500 applications, an initial list of 134 companies was released in November 2013 and a final list of 109 companies published on 30 December 2013 following expert review which can benefit from the domestic policy support, take part in domestic tenders and benefit from export tax rebates.

Indian Solar Market

In CY 2013, the Indian solar market marginally slowed down as only 950 MW of PV installations took place, down from 982 MW of PV installations in 2012. Cumulative solar PV capacity in India reached 2.1 GW by end of CY 2013 (Bridge to India). This slowdown in the Indian PV market was primarily on account of delay in implementation of solar policies of several States. Delay in implementation of the Phase II Batch I of the JNNSM is also expected to impact the PV market in 2014.

During 2013, the Indian solar market was also adversely affected by the non-enforcement of the Solar Purchase Obligations (SPO) of obligated entities such as the distribution companies, open access users and captive consumers in majority of the States in India. This undermined the effectiveness of and confidence in the Renewable Energy Certificates (REC) mechanism. An implication of this was the pile up of RECs, which adversely affected viability of solar projects that were set up under the REC mechanism. While several regulatory agencies and judicial authorities have taken steps to ensure enforcement of the SPOs, much more is required to maintain the relevance of the REC mechanism and leverage it to promote growth of solar power in India.

While the Indian solar PV domestic manufacturing environment improved marginally during 2013 on account of increase in capacity utilization rates of some of the module manufacturers, the cell manufacturing segment remained muted as capacity utilizations remained low on account of intense competition from dumped products from markets such as China.

The imposition of Domestic Content Regulation (DCR) – announced in October 2013 – was a positive step for the domestic manufacturers. However the industry also needs protection from dumped solar products imported from certain markets, through imposition of Anti Dumping Duties. This is pivotal for the development of a robust domestic manufacturing ecosystem, which is required to ensure energy security for India in the medium to long term. Development of a cohesive and self sustaining domestic solar manufacturing eco system would also result in saving of precious foreign exchange and improvement in India's current account balance.

Jawaharlal Nehru National Solar Mission (JNNSM)

Under Phase I of the JNNSM, a solar PV capacity of 450 MW was installed in India by end of September 2013 against the targeted capacity of 500 MW (Bridge to India). Separately, 48 MW of PV projects were commissioned under the Migration scheme and 90.8 MW under the Rooftop PV and Small Solar Power Generation Programme (RPSSGP) Scheme.

The Ministry of New and Renewable Energy released the draft guidelines for 750 MW of solar projects under Phase II Batch I of the JNNSM in April 2013. However, the release of final implementation guidelines was made only in October 2013. The delay in announcement of final guidelines would result in no significant capacity addition under the JNNSM in CY 2014.

Under the final implementation guidelines, 375 MW of the targeted 750 MW of solar projects need to be developed using domestically manufactured solar cells and modules. This provides an opportunity to domestic cell manufacturers to increase their utilization rates and participate in the implementation of Phase II of the JNNSM.

Bidding for these 750 MW of projects took place in January 2014 in which 700 MW of bids were made for projects under the Domestic Content Regulations (DCR) category and bids totaling 1470 MW were made for the Open Category projects. Implementation of these 750 MW of projects under Phase II Batch I of the JNNSM is targeted to take place by May 2015.

While DCR was introduced in the Phase II Batch I of the JNNSM, the announcement of decision on the outcome of the Anti Dumping Investigations against the import of solar cells and modules from USA, China, Malaysia and Taiwan that was expected in the last quarter of CY 2013 was delayed.

The domestic solar manufacturing industry that is reeling under the impact of export of solar PV cells and modules from specific markets at dumped prices need the simultaneous protection in the form of Anti Dumping Duties and imposition of Domestic Content Regulation. This is pivotal to achieve MNRE's target to develop a domestic manufacturing base with a capacity of 5,000 MW by 2017.

Providing a further push to solar energy, the Finance Minister, in the interim budget for 2014-15, added 4 Ultra Mega Solar Power Projects each with the capacity of over 500 MW to the National Solar Mission in 2014-15.

MOSER BAER'S PV BUSINESS

Moser Baer maintains its position as one of the largest solar PV manufacturers in India that is present across the solar value chain. Our annual cell and module manufacturing capacity currently stands at ~200 MW. Moser Baer Solar was earlier conferred with the prestigious "5 Star Rating" by TÜV Rheinland for maintaining highest standards of quality in manufacturing for three consecutive years in a row, the only Solar company in the world to achieve this feat.

Continuous dumping of solar products at predatory prices by certain countries has resulted in manufacturing operations, particularly in relation to Cells becoming unviable in India. As a result of this, we are currently operating at lower capacity utilization levels. We continue to align our costs with the current level of operations to improve the business efficiency.

Strong demand from the Japanese market and the limitation on Chinese PV exports to Europe provides opportunity to us to increase our scale of operations. The imposition of DCR in JNNSM Phase II Batch I is another positive for domestic manufacturers like us and we await a positive development on the Anti Dumping Duty front, which would provide a level playing field to domestic manufacturers.

We plan to ramp up our operations in line with the emerging opportunities in the Indian market & announcement of key Government policy initiatives. Continued liquidity support would enable rapid ramp up of capacity utilization.

Moser Baer's PV Business continues to maintain its leadership position in the Indian solar EPC market with over 260 MW of projects installed till date. The EPC Business enjoys strong presence in the off-grid market as well with over 4 MW of installations already commissioned. The Company has been able to achieve marked decline in project execution times and steep reduction in project costs on the back of its strong expertise in the EPC business.

The Company completed commissioning of a 5MW solar project for a prestigious PSU in January 2014.

Our strong presence in the Indian solar PV market, integrated operations, high quality profile and strong brand value position us to benefit from the high potential Indian market in both the off-grid and utility scale markets in the years to come.

The Company is also qualified under the Special Incentive Package Scheme notified by the government in 2007 to boost the semiconductor manufacturing sector; the government's detailed diligence process for technical & financial validation and final sanction is ongoing.

The Corporate Debt Restructuring (CDR) schemes of Moser Baer's PV subsidiaries (Moser Baer Solar Ltd. and Helios Photo Voltaic Ltd.-formerly known as Moser Baer Photo Voltaic Limited) aimed at optimizing the current resources and aligning the current debt obligations with the expected future cash flows are currently under implementation. Definitive agreements have been signed for both the subsidiaries by majority of the lenders and other implementation formalities including security perfection are currently being worked upon. During this period however, the Company had to face a significant liquidity crunch, pending release of working capital limits from Banks. This, in turn, resulted in significant drop in capacity utilization and operating levels, and the Company was not able to take advantage of the various market opportunities for manufacturing and systems business.

While progress so far has been limited by the development of government policy measures, some of the key initiatives on DCR and anti-dumping duty are expected to boost revival assuming also crucial liquidity support is available in the near to medium term.

OUTLOOK

Solar Power – Strong Medium to Long Term Outlook

The global solar PV market's recent turnaround is expected to continue in CY 2014. During Oct 2013-Mar 2014, the solar PV industry is forecast to install almost 22 GW, with CY 2014 installation demand forecast at 49 GW (Solarbuzz). The global solar market, that took several years to reach a cumulative installed capacity of 100 GW by the end of CY 2012, is forecast to add a similar capacity during CY 2014 and CY 2015 only.

As per Solarbuzz, this new record level of anticipated demand in 2014 will drive capacity utilization rates above 90% for Tier I manufacturers.

Long term outlook for solar power also seems strong on account of rapid global urbanization, strong population growth, and energy security concerns that are expected to boost adoption of solar power globally. Solar PV is forecast to account for 3.6% of the installed power generation globally by 2020, up from 0.7% in 2010 (Frost & Sullivan).

For the Indian PV market, while the medium-long term outlook remains strong, the short term situation has been impacted on account of delays in implementation relating to several State policies and partially on account of delays in release of final guidelines under the JNNSM. Current non enforcement relating to meeting of Solar Purchase Obligations by the obligated entities is also posing a risk to the planned development of solar power in India. Critical enablers include the successful implementation of DCR and the imposition of a suitable Anti Dumping Duty structure.

Despite some of these short term challenges, the higher solar irradiation, severe shortage of electricity, rising prices of conventional power to achieve inclusive growth of un-electrified villages across India and increasing economics of solar power are likely to ensure strong growth of solar power in India.

FINANCIAL RESTRUCTURING

The CDR scheme of MBIL as well as of its PV companies has been approved in the previous financial year. A debt of INR 23,700 million for Moser Baer India Ltd., INR 8,650 million for Moser Baer Photo Voltaic Ltd. and of INR 9,560 million for Moser Baer Solar Ltd. has been restructured, additional funds provided and interest funded.

The re-structuring of Moser Baer India Limited (MBIL) was based on a Techno-Economic Valuation study which was conducted by an independent third party consultant appointed by Central Bank of India (CBoI) and involved a detailed viability analysis of the industry, competition, future cash flows of the company and the new technology initiatives.

The Company had executed the Master Restructuring Agreement (MRA) / other definitive documents with all (except two) lender banks on December 27, 2012 and had also fulfilled pre-required conditions for implementation of the CDR Scheme. Subsequently an amended MRA was signed on March 30, 2013 in relation to UCO Bank. Accordingly, the CDR scheme was accounted for in the books of accounts in the financial year ended March 31, 2013 and the Scheme continues to be under implementation in the current financial year. During the year, the account with a non-acceding lender was settled in accordance with the Scheme, with the consent of other CDR lenders to facilitate security perfection. The company made significant progress on perfection of security and is also ensuring compliance with other CDR conditions.

Helios Photo Voltaic Limited (formerly known as Moser Baer Photo Voltaic Limited),one of the subsidiaries of the Company had also executed the MRA/ other definitive documents with all lender banks on January 18, 2013 and had also fulfilled pre-required conditions for implementation of the CDR scheme. Accordingly the CDR scheme was accounted for in the books of the accounts of MBPV for the year ended March 31, 2013 and Scheme continues to be under implementation in the current financial year.

Further Moser Baer Solar Limited (MBSL), another subsidiary has also executed the MRA/ other definitive documents with the majority of lender banks on March 28, 2013 and compliance with certain terms and conditions of the approved debt restructuring scheme was ongoing. During the current financial year, considering the signing of MRA by Union Bank of India by way of deed of accession and Bank of Baroda agreeing to sign the MRA for revised amount, the CDR scheme has been accounted for in the books of the accounts of MBSL for the financial period ended December 31, 2013.

The implementation of CDR signifies the faith reposed by the lenders in the business viability and long term prospects of the Company as well as of its PV subsidiaries.

The outstanding foreign currency convertible bonds (FCCBs) aggregating to principal value of US$88.5mn matured for redemption on June 21, 2012, which have since been claimed by the trustee of the bondholders. The Company has received approval from RBI for extension of redemption date of bonds and is in discussions with the bondholders to re-structure the terms of these bonds. The trustee on behalf of these bondholders has filed a petition under section 434 of the Companies Act, 1956 with Hon'ble High Court of Delhi, which has since been admitted.

Erosion of Net Worth

As the accumulated losses of the company at the end of the financial period ended on 31st December 2013 exceeded its entire net worth, the Company will take necessary steps to comply with the requirements as per the applicable statutes for the time being in force.

NEW INITIATIVES IN ENERGY EFFICIENCY

As part of its overall strategy for growth, Moser Baer has taken its first steps towards foraying into the new Energy efficient lighting business. The LED market is forecast by research agencies to witness strong growth over the next few years globally as well as in India. As per YUANTA, LED light bulb market is expected to increase at a CAGR of over 63 % to reach USD 15 billion in 2015 from USD 3.4 billion in 2012. As per Frost & Sullivan, the LED lighting market in India is expected to grow at a CAGR of 43.9% from 2011-18.

The overall strategy follows a differentiated approach covering product innovation, a comprehensive solutions package and a distinctive market reach coupled with strong after sales support, in order to establish a strong presence in the market. The Company has recently commenced in-house production of LED light bulbs and LED tube lights. It will focus on various areas including the OEM segment, own Brand segment & key account business. During the period under consideration, Moser Baer bagged a contract for regular supply of LED tube lights to one of the very prestigious OEMs, which is amongst the top five lighting companies in India.

Across the globe, government and regulations are actively supporting the development and deployment of energy efficient lightning technology. In India, the government has recently announced steps to develop and deploy norms that could apply to, inter-alia, LED Lightning.

LED lighting products as compared to incandescent light bulbs or CFL's are more energy efficient, have five to twenty five times longer lives and are environmentally safer with no mercury content.

Moser Baer's LED oriented focus is on developing technology capabilities in Light Management, Energy Efficient Optics, Molding and Material Sciences to create long term sustainable competencies in the business. Moser Baer's LED lighting team has in-house product development, product testing & internal qualification capabilities, supported by world class light lab facilities.

The Company plans to establish and build its presence in the LED market on the back of its rich technology heritage, molding capabilities, strong brand recognition in the Indian market and a broad distribution network.

OPPORTUNITIES AND THREATS

STORAGE MEDIA

OPPORTUNITIES

- Expected consolidation in the global market in the near term offers opportunities to the established players to expand their market shares. The expected improvement in the demand-supply balance on account of consolidation in the global market is also likely to result in better price realizations in the near to medium term
- Emergence of new markets, especially in the Non-OEM segments provides opportunities to Moser Baer to diversify its demand base
- Continuous growth in the high-margin product category presents opportunity to us to increase our market share
- Strong demand for Storage Media products in India driven by robust sales of computers. Further, increase in demand for smart phones with high data storage requirements augurs well for our Solid State Media segment

- Preference of certain international OEM customers to diversify their supplier base from Taiwan provides growth opportunity to Moser Baer

THREATS

- Sudden spike in prices of key input materials could affect business' profitability. The company has established strategic relationships with key suppliers to secure availability of key raw materials.
- Sudden emergence of disruptive technologies and substitute products can affect demand of company's product offerings. Moser Baer provides strong thrust to its R&D initiatives in order to remain ahead on the technology curve.
- Aggravation or continuation of the global financial crisis may adversely affect demand for the Company's Storage Media offerings.
- Moreover, regulatory development in debt/capital markets adversely affecting interest cost and debt re-structuring may adversely affect the company's cash-flow.
- A sharp fall in product prices could impact business profitability. The Company has been consistently improving its cost structure and improving product mix towards higher value added products. The leadership position in high value next generation formats should further improve these returns.
- The company's business is predominantly export led with revenues substantially pegged to foreign currency exchange rate. Any sudden foreign exchange movement can adversely affect financial performance during the period. Management constantly monitors exchange movement and takes appropriate measures to mitigate impact.

SOLAR PHOTOVOLTAIC

OPPORTUNITIES

- Improving economics of solar power globally along with strong focus on sustainable clean energy sources worldwide provides strong growth opportunity for solar power
- Strong growth potential in key markets such as US, China and Japan that have taken centre stage as the next growth drivers in the global solar industry
- Strong thrust on solar power in the domestic market and preference / incentive for domestically manufactured modules under the JNNSM
- Expected policy support through protection from dumped products in the shape of Anti Dumping Duties would provide a level playing field to domestic manufacturers
- Advancement of grid parity globally and in India on account of improvement in cost competitiveness of solar energy vis-à-vis conventional energy

THREATS

- Withdrawal or reduction of State support in key markets through reduction of subsidies and other incentives or change in government policies
- Continuation of challenged economic environment in Europe, a key market for solar-PV products is likely to affect demand for solar power in the region
- Slowdown in demand from the current growth drivers such as China, Japan and the US
- Lack of enforcement of the Solar Purchase Obligations in the Indian Solar market
- Delay in implementation of JNNSM or State Solar Policies
- Delay or non-imposition of Anti Dumping Duties on imports from select markets by the Indian government
- Sudden increase in capacity in the global PV market amid an improving industry environment
- Technology obsolescence & emergence of disruptive technologies
- Sudden increase in input costs of key raw materials in particular Poly silicon
- Continuation or prolonging of the high interest rate scenario in the domestic market
- Steep fall in the module prices in the uncertain market conditions.

HUMAN RESOURCES & INDUSTRIAL RELATIONS

The recent times have been witness to major challenges, both at the Global and domestic levels. Industries across sectors are fighting "recession" to stay afloat. Re-aligning the focus of company strategy during such periods of turbulence involved enormous efforts on the part of HR.

The role of HR in Moser Baer became vitally important in implementing sound business strategies to secure the business and drive the organization's competitive edge. Ongoing financial constraints lead to the imperative need to optimize costs while maintaining employee morale and commitment.

Regardless of challenges all around on various fronts, we kept Moser Baer philosophy of investing in our people as

a priority and continued with our efforts to provide an enabling environment to our people and focus on their development.

Employees are typically aware of the uncertainties and ambiguities that arise due to Global Business challenges. However, efficient communication measures and well-constructed HR strategy for driving employee commitment when anxieties are high, helped us to overcome challenges from time-to-time.

Our continued focus on proactive involvement, employee-friendly practices and policies, two way communications & grievance redressal mechanism, and interface with families of employees helped us to enhance engagement level of our employees and build strong bonding with the organisation. Voluntary participation of employees in activities like family visits, sports & recreation, health related initiatives – blood donation camps, CSR activities etc. enabled us to make maximum use for fun aspect of work-life, which in turn, is very important for efficient & productive working. Initiatives like cost reduction & system improvement programs like Kaizen, 5S, TPM provide opportunities for exchanges on the various aspects related to employee & organizational development.

We continued to encourage Associates Involvement in decision making process through various committees' like the Cafeteria Committee, Transport Committee, and Sports Committee etc. At the same time, Employee Communication Forums like Open Houses, Communication Meetings, Town-Halls, HR Help Desk, Grievance Resolution System provide all possible opportunities for employees to express and exchange views on the various issues that impact them.

Despite the financial constraints during the period, we drove our Training capabilities towards development of people in alignment with our business needs and imperatives, and accordingly, drove development initiatives across the organization, imparting 1.6 Man days of Training per associate for the period.

The Industrial Relations environment at the manufacturing locations was largely peaceful & cordial. Issues raised were amicably & peacefully resolved through the process of discussion and dialogue without loss of productivity &trust.

To drive meritocracy, excellence & model behavior at the workplace, we stretched our Reward & Recognition framework and involved associates in activities like OTS, Employee of Month etc thereby ensuring effective, efficient & productive working.

Through all these activities & interventions, the Human Resource function continued to play a pivotal role in improving the competitive edge of the business.

Moser Baer concluded the period ending Dec 2013 with 3793 employees as compared to 4381 employees at the end of last financial year.

INTERNAL CONTROLS AND ITS ADEQUACY

The Company has in place adequate systems of internal control commensurate with its size and the nature of its operations. These have been designed to provide reasonable assurance with regard to maintaining of proper accounting controls, recording and providing reliable financial and operational information, complying with applicable statutes, safeguarding assets from unauthorized use or loss, executing transactions with proper authorization and ensuring compliance of corporate policies.

The internal audit process is designed to review the adequacy of internal control checks in the system and covers all significant areas of the company's operations. Risk based audits are performed, based on an annual internal audit plan, which is developed in consultation with the Statutory auditors and Audit Committee. The Audit Committee reviews audit reports submitted by the internal auditors on a quarterly basis and follows up on the implementation of corrective actions periodically.

RISK MANAGEMENT

The Company believes that risk is an integral part of every business and promotes a culture of building ability to anticipate and manage the risks effectively and converting them into opportunities. The Company's risk management practices ensure that the Company accepts risks within defined parameters for which it is adequately compensated. The Company takes a very structured approach to the identification, quantification, prioritization, mitigation, monitoring and reporting of each such risk.

Key business risks and mitigants are:

- **Technology risk:** Company operates in an ever evolving and dynamic technology environment and it is of utmost importance that the Company continuously reviews and upgrades its technology, resources and processes lest it faces technology obsolescence. To this effect, Company has built a position as the leading manufacturer and technology owner through strong in-house R&D capabilities, successful collaboration with key technology providers and leading OEMs for transfer and absorption of technological capability, while regularly tracking and reviewing its technology road map. The Company's R&D efforts have continued to be geared towards improving existing processes to advance the Company's cost competitive position.
- **Business concentration risk:** We strive to diversify our customer and geographic base to avoid dependence on a particular geography/set of customers. Continuous actions taken by Company in this direction are increasing sales to non-OEMs and domestic

market, initiation of direct marketing efforts to ensure coverage of new geographies and customers, developing leading retail private label players and support brands to de-risk dependence on few customers or any particular geography.

- **Input cost and falling sale price risk:** Prices of key input items used in manufacturing of storage media products remained soft. The ongoing realignment in the global Optical Media industry affected the demand and ASPs for all players. Given the need to transition in the Optical Media industry, our focus continued to be on rationalization of operating costs in manufacturing and consolidation of operations at a single location to generate cost efficiencies. We anticipate future growth in the business to be driven by increase in sales of Solid State Media segment. We are now focusing on growing the solid state media business and development of LED lighting business. Your Company will continue to focus on cost re-engineering, alternate sourcing, alternate material usage initiatives and diversifying means of energy sourcing to minimize the impact of input cost increase. Higher share of value added products should lower the impact of price fluctuation in finished goods.

- **Exchange fluctuation risk:** Our operations are subject to risk arising from fluctuations in exchange rates with reference to countries in which we operate. We import raw materials, components and capital equipment and sell our finished goods in various countries. Moreover, we have outstanding foreign currency denominated debt and hence we are sensitive to fluctuations in foreign currency exchange rates. These transactions are denominated in foreign currencies, primarily the U.S. Dollar and Euro. Volatility in the currency markets can adversely affect the outcome of commercial transactions. The treasury department of the Company continually tracks the foreign exchange movements and underlying currency exposures on real time basis and takes advice from financial experts to decide its hedging strategy from time to time in accordance with approved foreign exchange risk management policy. Your Company suitably hedges the differential foreign exchange exposures.

- **Liquidity and interest rate risk:** Your Company has faced difficult business conditions over the past few years, including periods in which its operations have been cash negative. Company approached the lenders of secured debt to restructure indebtedness pursuant to the corporate debt restructuring mechanism (the "CDR Mechanism"). The Company has executed the Master Restructuring Agreement (MRA) and other definitive documents with lender banks. The outstanding Foreign Currency Convertible Bonds (FCCBs) matured for redemption on June 21, 2012. The Company is in discussions with the bondholders to re-structure these bonds. The company continued to face short term liquidity challenges affecting the income generated. Continuous operating losses during the period of revival have led to erosion of our reserves. The company continues to be in discussions with lenders to address the issues and ramp up operations.

- **Employee Related Risks:** We strive to align our business interests with the interests of our workforce and focus on various employee engagement & development initiatives to retain and motivate our workforce.

OPERATING PERFORMANCE REVIEW

Financial Analysis

Revenue

The revenues from operations for the period April to December 2013 decreased by 14.1% over the previous year to INR 9444 million. Loss after tax for the period is INR 4467 million as against INR 4592 million in the previous fiscal year. EBITDA (including other income and after exceptional items) decreased to INR 706 million (for nine months) from INR 775 million in the previous financial year (twelve months).

Fully diluted earnings per share for the period April to December 2013 was INR (24.07) against INR (27.28) in the previous fiscal year. The company generated INR 315 million cash from operations for the period April to December 2013.

Capital Structure

The paid up equity capital was INR 1,683 million as on 31st March, 2013. During the period under review equity capital of INR 300 million was allotted to promoters on preferential allotment basis as per CDR restructuring and approval of shareholders and it increased to INR 1,983 million as on 31st December, 2013. Further, it increased to INR 2,083 million on 28th February, 2014 on preferential allotment to promoter as aforesaid.

Reserves

The Company's reserves stood at INR (3436) million at the end of Dec 2013 against INR 1807 million in previous fiscal year. There are no re-valuation reserves as of December 31, 2013.

Loans

Over the years, the Company has part funded its ongoing expansions and investment programs through loans

raised aggressively at lower costs. The company's net total debt increased by 3.7% over the previous year.

Financial objectives, initiatives and achievements

Your company is taking proactive measures to ensure all financial costs are effectively reduced to positively impact the bottom line. The Company continued to focus on efficient working capital management to release cash in to the system, generating INR 315 million of cash from operations. Foreign Exchange has been particularly volatile in the period, and the ongoing foreign exchange risk management policy has been further strengthened to assure that there is no adverse impact of volatile exchange rates beyond agreed upon tolerance levels.

Interest

The amount on account of interest and finance charges for the period April to Dec 2013 reduced to INR 1575 million as against INR 1967 million in the previous fiscal year for twelve months.

Capital Expenditure

Gross block of the Company remained stable at INR 45,319 million.

Depreciation

Depreciation decreased significantly by 29.1% on annualized basis in the period April to December 2013 from INR 2,902 million to INR 1,543 million. Due to the flexible nature of the asset base and the relatively long life-cycle of the products in the industry, we believe that the risk of the asset base becoming obsolete is low.

Loans and advances

For the period April to Dec 2013, both long term and short term, decreased to INR 1,742 million against INR 2,148 million in the previous fiscal year.

Capital employed

The capital employed stood at INR 10,373 million as compared to INR 16,601 million in FY 13.

Management of surplus funds

Short term surpluses were invested mainly in bank deposits or low risk financial instruments that optimized return and protected the invested principal.

CORPORATE SOCIAL RESPONSIBILITY

MBIL's **Corporate Social Responsibility is implemented by the Moser Baer Trust (MBT)**. Since it came into existence in July 2005, the Trust has been at the forefront of addressing challenges of contiguous communities. The Trust is committed to achieve the Country Development Goals as well as the Millennium Development Goals (MDGs) wherever it operates.

This year Moser Baer Trust has been able to achieve an organic growth in its operations and has been involved in designing and implementing need-based programs with funding both from internal and external sources. The Trust has been largely focusing its energies and resources on core developmental issues like **Education, Youth development, Health** and **Livelihoods** for the targeted population. These programs are low on cost but highly effective. We have also forged partnerships with more like minded organisations to strengthen the sustainability of our programs.

EDUCATION

Taleem: Taleem is holistic education program addressing issues like lack of quality mainstream primary and secondary education, lack of participation of concerned stakeholders in the development of the child. This is done by providing appropriate services in the community, advocacy strategies and capacity enhancement of multiple stakeholders. Through the programme, the Trust is able to work with the parents through **Parent Teacher Associations** to enhance their perspective on importance of education. In 2013-14, MBT reached out to 151-out-of school children by initiating four new Non Formal Education centers in four villages of Gautam Budh Nagar District in Uttar Pradesh. Apart from this, the Taleem Program has also been able to mainstream almost 250 students from nearby communities by facilitating their admission to Govt. schools in the vicinity.

Digital Literacy Program (DLP): Computers applications have opened new vistas for employment and offer a wide knowledge base that ensures brighter career prospects. For the rural youth, especially those living in urban peripheries, lack of IT knowledge is the biggest challenge in achieving gainful employment. Moser Baer Trust is aiming to address this gap by providing essential computer training to students in their formative years and also to the youth.

Advanced computer programming and personality grooming sessions for the students are some of the major value additions which we have added to this program. Over the years the Trust has partnered with organizations such as **NASSCOM Foundation** and **Microsoft India** for greater access to quality educational services for disadvantaged communities as part of our affirmative strategy towards the disadvantaged.

During the period April- Dec 2013, it has been able to cater to 784 students (492 Male & 292 Female), of which, 766 students completed basic computer course and 16 & 2 students were trained in Tally & DTP respectively.

Converging Opportunities for k(N)owledge & (E)nrichment through Enhanced Communication & Technology (CONNECT): The financial period till December also saw the launch of project CONNECT in partnership with NASSCOM Foundation and as a part of Bill and Melinda Gates Foundation's (BMGF) Global Libraries Project. The BMGF Public Libraries Development Program focuses on enhancing the relationship users have with libraries – a vital resource for empowerment. The program envisages a change in the role played by libraries in the lives of the contiguous population by providing latest technology and essential access to information for communities across the world.

This project was launched in the Ghaziabad District Library, situated at Nandgram, Ghaziabad. The library has a collection of about 18000 books ranging from literature, biographies, competitive exam books, magazines etc. The library has about 507 registered members and usually has a footfall of about 40 people per day on an average including the students preparing for competitive exams, senior citizens, school students and home makers.

The project looks at enhancing these numbers by increasing footfalls across stakeholder groups. As an implementation partner, we are looking at creating models of public libraries that are scalable and aligned to the changing perceptions, needs and demands of the communities it operates in. Apart from providing free public access to libraries, free access to internet and identification and deployment of ICT based services will be an integral part of the transformation of the library space.

Youth Empowerment

yUDAI: yUDAI is MBT's comprehensive training and mentoring programme for overall development of youth as responsible citizens of the country. It is an advanced and comprehensive approach towards MBT's Nayee Roshni initiative (2009- 2012).

The aim of MBT is to equip adolescents with the skills to deal effectively with the demands and challenges of daily life. This program aims to do this by assisting them in exploring and subsequently developing mutually empowering relationships with parents, friends, significant others and the community.

The program is being implemented by first identifying, training, mentoring and strengthening a group of Peer Leaders in each of the localities where the program is being operationalised. The peer leaders will be mentored for a period of 2 years and will also be prepared to support the subsequent facilitation processes in basic youth development trainings for at least 2 batches.

Moser Baer Trust under Project yUDAI is working with 140 youngsters in Sector 8,9,10 and 66 of the industrial city of Noida in Uttar Pradesh. DS Group Industries has partnered with MBT for implementation of this project in NOIDA and with 100 youngsters in Greater NOIDA.

CSR@MBIL

Employees are one of the very important stakeholders for an organisation. Through ICARE employees are given opportunities round the year to bring them closer to the communities. This is done by commemorating many important annual calendar events together like International Youth Day, WORLD AIDS Day to name a few. Like the preceding years, this year too we celebrated the first week of December (29th November to 5th December) as the CSR week. This whole week was aimed at enhancing employee voluntarism by organizing various drives and campaigns as well as designed interactive and creative sessions. The CSR week is a major event and is organized in all our business locations. The whole CSR week culminates into the annual stakeholder meet called SANGAM.

Employee Voluntarism

This year we also saw tremendous participation by employees in preparing gifts and decorating them for distribution to contiguous communities on the occasion of Christmas. A group of 15 employees volunteered to prepare these gifts and then deck up the Taleem centers along with 30 children from the communities of our operations

On the occasion of World Pollution Day a collage competition was organized wherein the employees and children from our communities participated together in small mixed groups.

EHS Performance Apr-Dec'13

Moser Baer as an organization has achieved many milestones in regard to EHS (Environment, Health & Safety). Some of the achievements are mentioned below:

1. Recycling of materials, energy efficiency and renewable energy are said to be the pillars of sustainable policy. Recycling turns materials that would otherwise become waste into valuable resources. Initiatives taken during the year included the following :
   i. Saving of 986 Keekar trees through in-house recycling / reusing 6275 wooden pallets for product packing.
   ii. Recycled 3126.352 Tons of polycarbonate during this period
   iii. Started using grid power to reduce consumption of HFO.
2. Won Annual Fast and Furious contest organized by State Fire Service Department in neighboring industries on National Fire Service Day.
3. Achieved accident rate reduction to a level of 1.79 against the previous achievement of 2.01. This accident rate is not only based on lost time accident, but includes cases of First Aid as well.
4. Covered more that 75% of entire associates in EHS Training, and achieved a Training rate (Training /man/ year) more than 5.67 against a target of 3.00 in the Annual Performance Plan.
5. Designed and developed in-house Behavioral Based Safety (BBS) Training as per Dupont sustainable Management system and covered more than 1500 associates in the workshop.
6. Re-certification done successfully without any major deviation under the Integrated Management System of ISO 9001:2008, ISO 14001:2004, OHSAS 18001:2007 and SA 8000:2008 Standards for Environment, Health & Safety Management and Social Accountability respectively, audited by various certifying agencies like DNV & TUV Rhineland.
7. Designed ,developed and implemented 16 EHS Training modules like Lock out Tag out, defensive driving for drivers, Industrial Hygiene and personal grooming for cafeteria employees, Electrical Safety, Hazards communications, Effective use of Personal Protective Equipments, RoHS Directives, Legal aspects of Industrial Safety, Machine Guarding and Material Handling etc.
8. Sony Green Partner Certification (by JGPSSI) for product Environmental Management System from Sony Japan securing 96.5% — highest ever score for any company audited by Sony worldwide and Certification was extended up to Dec 2014.
9. Nominated as leader by District Administration for Off-Site Emergency Planning.
10. Elimination of PVC Pouches as per EEEC Directives.
11. Rain water harvesting at 16 locations and underground water level raised 3 feet and being maintained regularly.
12. Non-use of Banned Substances in product inputs.
13. EHS Kaizen Scheme launched in the entire plant to motivate employees for taking proactive approach towards EHS improvements.
14. Started benchmarking process with nearby industries to improve EHS systems.
15. Actively participated in more than 15 Emergency preparedness (Mock Drills) in neighborhood industries organized by Director of Factories and Chief Fire Officer
16. Moser Baer was nominated as member of Safety Advisory Committee by State Government and DGFASALI (Ministry of Labor).

financials

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting their 31st Annual Report on the business and operations of the Company together with the Audited Accounts for the financial period ended 31st December, 2013.

Financial Results

Particulars	(Rupees in Million)	
	Period ended December 31, 2013 (Nine months)	Year ended March 31, 2013 (Twelve Months)
Gross Sales, Service Income and other Income	10,058	15,463
Profit before Depreciation, Interest and Tax but after Prior Period Items	706	775
Depreciation / Amortization	1,543	3,418
Interest and Finance Charges	1,575	1,967
Profit / (Loss) before Exceptional Items and Tax	(2,412)	(4,610)
Exceptional Gain / (Loss)	(2,055)	18
Profit / (Loss) before Tax	(4,467)	(4,592)
Tax Expenses	-	-
Profit /(Loss) after Tax	(4,467)	(4,592)
Profit / (Loss) Carried Forward from Last Year	-	-
Profit/ (Loss) Available for Appropriation	(4,467)	(4,592)
Appropriations:		
Dividend (Proposed)	Nil	Nil
Provision for Tax on Proposed Dividend	Nil	Nil
Transfer to General Reserve Account	Nil	Nil

Operations

Revenues for Financial period ended 31st December 2013, stood at INR 10058 million, profit before depreciation, interest, exceptional items and tax stood at INR 706 million.

Market Development

Market environment and outlook

Storage Media Business

During the nine month period ended 31st December 2013, demand for Optical Media products declined in the developed markets, while the Asia Pacific, Africa, Middle East & Latin America regions continued to develop as relatively stable demand centers. The supply rationalization in the Optical Media industry continued during the period, however, supply demand mismatch is still not resolved. It is expected that more manufacturers will exit or curtail manufacturing capacities in the near future.

Demand for new generation Optical Media products like Blu-ray in mature markets such as Japan, USA and Europe has been stable. Emerging Markets on the other hand continued to show higher preference for DVDs and also witnessed increase in demand for Blu-ray products.

The Storage Media business, which includes Solid State Media segment (Flash Drives, SD and Micro SD cards) has witnessed growth in India and continues to witness an increase in popularity globally due to ease of use and declining per unit costs. Demand is shifting to higher memory capacity.

Moser Baer continues to remain one of the leading players in the global Storage Media industry both in terms of low cost mass manufacturing and in offering a wide range of high quality products. Our strong focus on quality and service has resulted in continued business alliances with leading OEMs across the world. The company supplies products in over 95 countries globally.

As one of the select few suppliers of advanced Blu-ray formats globally, we have maintained our leadership in prominent markets like Japan. We continue to reduce manufacturing costs of Blu-ray disc to maintain segment profitability.

Operations within our Solid State Media (SSM) segment were affected due to financial constraints during the year.

However, the demand for company's products remains robust and we expect an upswing in the coming years. Supplies to OEMs formed a significant part of revenue. This is a highly scalable business and presents a big opportunity to the company in data storage.

During the period, the Company undertook several steps aimed at lowering overheads and aligning resources with current levels of operations. After the company consolidated all its manufacturing facilities to cut down on overheads and to extract supply chain synergies last year, the focus this year has been to ramp-up capacity utilization at Greater Noida. Further consolidation in Greater Noida facility is being executed which will result in lower power consumption and lower fixed overheads. The company continued to right size its employee base to the current level of operations. These steps are expected to positively impact the company's operations in the near to medium term.

We are aggressively pursuing new geographies like Africa and several countries in Latin America for incremental markets and customer acquisition and expect our Non- OEM market share to increase in the coming quarters.

In the medium term, the Optical Media industry within the developed markets is expected to witness decline in demand for the first generation products CDs/DVDs. The company's strategy is to gain high market share to offset decline in demand. In this regard, significant progress has been made in the European, USA & Mexican markets. DVDs demand is expected to remain stable in the near to medium term.

In the near future, the Solid State Media segment is expected to be a key growth driver for the business on account of rapid penetration of personal computing devices in the developing markets and robust increase in demand for smart phones globally.

The Company continues to focus on product innovation, upholding its high quality standards, increasing its cost competitiveness and widening of its distribution network.

Photo Voltaic Business

Growth in the global solar PV industry that remained stagnant in CY 2012, gained positive traction in CY 2013 with 36 GW of solar PV installations witnessed during the year (up by 16% Y-o-Y). This reversal in the industry environment was primarily driven by robust demand from China, Japan and the US.

The improvement in the global PV industry was accompanied with improvement in performance of Tier I global players along with the exit of less competitive Tier II/Tier III players. Demand supply equilibrium in the global PV industry improved which led to stabilization in the global PV module prices and improvement in the financial/operating performance of Tier I solar PV manufacturers.

The Indian solar PV market, on the other hand, slowed down marginally during 2013 due to delays in implementation of the State Solar polices. In CY 2013, 950 MW of PV installations took place in India, down from 982 MW in 2012. The implementation of Phase II Batch I of the Jawaharlal Nehru National Solar Mission (JNNSM) was also delayed, which is likely to have an impact on the PV market in 2014. The Indian solar market was also adversely affected by the non-enforcement of the Solar Purchase Obligations (SPO) of obligated entities in the majority of the States in India.

In 2013, the Ministry of New and Renewable Energy announced inclusion of Domestic Content Regulations (DCR) in Phase II Batch I of the JNNSM. As per the implementation guidelines, of the total 750 MW of targeted solar projects, 375 MW of solar projects need to be developed using domestically manufactured cells and modules. This provides an opportunity to domestic cell manufacturers to increase their utilization rates and participate in the implementation of Phase II of the JNNSM.

While the DCR was introduced in Phase II Batch I of the JNNSM, the announcement of the decision on the outcome of the Anti Dumping Investigations against the import of solar cells and modules from certain countries that was expected in the last quarter of CY 2013, was delayed. The process is now expected to be completed by May 2014.

The struggling domestic solar manufacturing industry which is reeling under the impact of export of solar PV cells and modules from certain markets at dumped prices needs the simultaneous protection through imposition of Anti Dumping Duties and implementation of the Domestic Content Regulations. This is pivotal to achieve MNRE's target to develop a domestic manufacturing base with a capacity of 5,000 MW by 2017.

During 2013, increase in competitiveness of solar power continued to improve amidst increasing cost of conventional energy which advanced parity of solar PV with grid electricity in several countries. As per Deutsche Bank, Solar is currently competitive without subsidies in at least 19 markets globally and more markets are expected to reach grid parity in 2014 as System prices decline further.

In the Indian market too, declining solar tariffs along with increasing prices of conventional energy has brought closer parity for solar power with conventional sources of energy. As per Bridge to India, Solar PV power is close to parity with commercial tariff paid by consumers in the States of Delhi, Maharashtra and Kerala. By 2016, over 45% of the Indian states are expected to achieve commercial parity.

Moser Baer continued to maintain its position as one of the largest solar PV manufacturer in India that is present across the solar value chain. Moser Baer Solar is also the only PV company in the world to be conferred with the prestigious "5 Star Rating" by TÜV Rheinland for maintaining highest standards of quality in manufacturing for three consecutive years in a row.

We are currently running our operations at low capacity utilization levels in view of the difficult operating environment triggered by dumping of solar products in India by certain countries. We continue to align our costs with the current level of operations to improve business efficiency.

We are currently focusing on the high margin Japanese market where our products are well recognized and command a premium owing to the high quality profile of our offerings. The recent restrictions imposed by the European Union on Chinese PV exports to Europe, provides additional opportunity to us to increase our presence in that region. We also plan to ramp up our operations for the domestic market in line with emerging opportunities in the Indian market & announcement of key Government policy initiatives.

Our PV Business continues to maintain its leadership position in the Indian solar EPC market with over 260 MW of projects installed till date. The company has been able to achieve massive decline in project execution times and steep reduction in project costs on the back of its strong expertise in the EPC business. Moser Baer Solar completed commissioning of a 5MW solar project for a prestigious PSU in January 2014.

Our strong presence in the Indian solar PV market, integrated operations, high quality profile and strong brand value positions us to benefit from the high potential Indian market in both the off-grid and utility scale markets in the years to come.

The Corporate Debt Restructuring (CDR) schemes of Moser Baer's PV subsidiaries (Moser Baer Solar Ltd. and Helios Photo Voltaic Ltd. - formerly known as Moser Baer Photo Voltaic Ltd.), aimed at optimizing the current resources and aligning the current debt obligations with the expected future cash flows, are currently under implementation. Definitive agreements have been signed for both the subsidiaries by the majority of the lenders and other implementation formalities including security perfection are currently being carried out.

The global solar PV market's recent turnaround is expected to continue in CY 2014. During Oct 2013-Mar 2014, the solar PV industry is forecast to install almost 22 GW, with CY 2014 installation demand forecast at 49 GW (Solarbuzz). The global solar market, that took several years to reach a cumulative installed capacity of 100 GW by the end of CY 2012, is forecast to add a similar capacity during CY 2014 and CY 2015 only.

In the Indian solar PV market also, higher solar irradiation, severe shortage of electricity, political will for inclusive growth, rising prices of conventional power and increasing economics of solar power are likely to ensure strong growth of solar power in India in the medium to long term.

Share Capital

The Company has allotted 4,00,00,000 Equity Shares on preferential basis (3,00,00,000 Equity Shares upto 31st December, 2013 and 1,00,00,000 Equity Shares on 28th February, 2014) to Promoter pursuant to the Corporate Debt Restructuring Scheme. These shares have been listed at National Stock Exchange of India Limited and Bombay Stock Exchange Limited.

Change in Financial Year

The Company has changed its Financial Year from 12 (Twelve) months to 9 (Nine) months i.e. April 01, 2013 to December 31, 2013 for current year, for successful implementation of the Corporate Debt Restructuring Scheme and other corrective measures.

Subsidiary Companies

As per section 212 of the Companies Act, 1956, the Company is required to attach the Directors' Report, Balance Sheet and Statement of Profit and loss of its subsidiaries. The Ministry of Corporate Affairs, Government of India vide its circular no. 2/2011 dated February 8, 2011 has provided an exemption to companies from complying with Section 212, provided such companies publish the audited consolidated financial statements in Annual Report. Accordingly, the Annual Report for the financial period ended on 31st December 2013 does not contain the financial statements of our subsidiaries. The annual audited accounts and related information of our subsidiaries, where applicable, will be made available upon request.

The annual accounts of the subsidiary companies will also be kept for inspection by any member of the company at its Registered Office and Corporate / Head Office located at 43B, Okhla Industrial Estate, Phase III, New Delhi – 110 020. The same will also be published on our website, www.moserbaer.com.

Abridged Financial Statements

In terms of the provisions of section 219(1)(b)(iv) of the Companies Act, 1956, the Board of Directors have decided to circulate the abridged annual report containing salient features of the balance sheet and statement of profit and loss to the shareholders for the financial period ended on 31st December 2013. Full version of the annual report will be available on Company's website www.moserbaer.com and will also be made available to investors upon request.

In support of the green initiative of the Ministry of Corporate Affairs, the Company has also decided to send the annual report through email to those shareholders who have registered their email id with their depository participant/Company's registrar & share transfer agent. In case a shareholder wishes to receive a printed copy, he/she may please send a request to the company, which will send the annual report to the shareholder.

Dividend

With regard to the operating performance for the period ended on 31st December 2013, your directors do not recommended any dividend for the year.

Reserves

During the period, considering the operating performance of the Company, the Company has not transferred any amount in General Reserve.

Directors

Mr. Sanjay Jain was appointed as an Alternate Director to Mr. Bernhard Gallus for a brief period. He ceased to be an Alternate Director w.e.f. 13th November, 2013 and appointed as Additional Director from that date pursuant to Section 161 of the Companies Act, 2013. His term of office shall be liable to retire by rotation. In accordance with section 160 of the Companies Act, 2013, Mr. Sanjay Jain, vacates office at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment. Further, Mr. K. Ajit Kumar (Nominee Director of EXIM Bank) has been inducted in the Board of Directors w.e.f February 07, 2014, whose term of office shall not be liable to retire by rotation.

In terms of the provisions of Section 152 of the Companies Act, 2013, Mr. Deepak Puri, Mr. Bernhard Gallus and Mrs. Nita Puri, Directors retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

The details of Directors being recommended for appointment or re-appointment pursuant to Clause 49 of the Listing Agreement is contained in the accompanying Notice of the ensuing Annual General Meeting.

Auditors

Your Company's Statutory Auditors, M/s. Walker, Chandiok& Co. LLP (formerly Walker, Chandiok& Co. (Firm Regn. No. 001076N), Chartered Accountants, holds office until the conclusion of ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment. Your Company has received a letter from them to the effect that their re-appointment, if made, will be in accordance with the provisions of Section 224(1B) of the Companies Act, 1956.

Auditors' Report

The observations made in the Auditors' Report are self- explanatory and therefore, do not call for any further comments. However, the company's net worth stands further completely eroded on account of accumulated losses and the company plans to take further steps to improve its performance as also comply with regulatory requirements.

Stock Option Plan

Your Company had introduced a Stock Option Plan for its Non-Executive Directors i.e. Directors Stock Option Plan - 2005 ("DSOP-2005") and for its employees i.e. Employees stock Option Plan-2004.

The company has further introduced Stock options plan for its employees ("ESOP – 2009") by the resolution passed in the meeting of the Board of Directors on the 30th July, 2009 and subsequently, approved by the shareholders of the company in their Annual General Meeting held on 8th day of September 2009. The plan came into force on 29th day of January 2010, being the date of first offer of ESOPs to the employees under ESOP Plan 2009.

During the period under review, the Compensation Committee of the Board of Directors has not granted any new options to employees of the Company under any of the ESOP Schemes. The particulars of options issued under the said Plan as required by SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 are appended as 'Annexure A' and forms part of this report.

Restructuring of Outstanding Foreign Currency Convertible Bonds (FCCB)

Your Company had issued US$ 75mn Zero Coupon Tranche A Convertible Bonds and US$ 75mn Zero Coupon Tranche B Convertible Bonds (the "Bonds") in June 2007 with a tenure of 5 years. Since then, your Company bought back outstanding Bonds amounting to US$ 61.5mn. The conversion price of these Bonds has been significantly higher than the market price of the Equity Shares of the Company at the relevant times and the Bonds were not converted into equity shares.

The Company's foreign currency convertible bonds (FCCBs) were due for redemption on 21 June 2012. The financial statements for the period ending December 31, 2013 reflect outstanding FCCBs at their face value of $ 88.5 mn along with premium on redemption. The Company is currently in process of restructuring the outstanding FCCBs.

The Company has received approval from RBI for extension of redemption date of bonds and is in discussions with the bondholders to re-structure the terms of these bonds. The trustee on behalf of certain bondholders has filed a petition under section 434 of the Companies Act, 1956 with Hon'ble High Court of Delhi, which has since been admitted.

Debt Restructuring

The CDR scheme of company as well as of its PV companies has been approved and is under implementation. A debt of INR 23,700 million for company, INR 8,650 million for Moser Baer Photo Voltaic Ltd. and of INR 9,560 million for Moser Baer Solar Ltd. has been conclusively restructured, additional funds provided and interest funded.

The re-structuring of company was based on a Techno-Economic Valuation study which was conducted by an independent third party consultant appointed by Central Bank of India (CBoI) and involved a detailed viability analysis of the industry, competition, future cash flows and the new technology initiatives.

The Company had executed the Master Restructuring Agreement (MRA) / other definitive documents with all (except two) lender banks on December 27, 2012 and had also fulfilled pre-requisite conditions for implementation of the CDR Scheme. Subsequently an amended MRA was signed on March 30, 2013 in relation to UCO Bank. Accordingly, the CDR scheme was accounted for in the books of the accounts in the financial year ended March 31, 2013and the Scheme continues to be under implementation in the current financial period. During the period, the account with a non-acceding lender was settled in accordance with the Scheme with the consent of other CDR lenders to facilitate security perfection. The company has made significant progress on perfection of security and is also ensuring compliance with other CDR conditions.

Helios Photo Voltaic Ltd. (formerly known as Moser Baer Photo Voltaic Limited), one of the subsidiaries of the Company had also executed the MRA/ other definitive documents with all lender banks on January 18, 2013 and had also fulfilled pre-requisite conditions for implementation of the CDR Scheme. Accordingly, the CDR scheme was been accounted for in the books of the accounts of MBPV for the year ended March 31, 2013 and Scheme continues to be implemented in the current financial period.

Further Moser Baer Solar Limited (MBSL), another subsidiary had also executed the MRA/ other definitive documents with the majority of lender banks on March 28, 2013 and compliance with certain terms and conditions of the approved debt restructuring scheme was ongoing. During the current financial period, considering the signing of MRA by Union Bank of India by way of deed of accession and Bank of Baroda agreeing to sign the MRA for revised amount, the CDR scheme has been accounted for in the books of accounts of MBSL for the financial period ended December 31, 2013.

The successful implementation of CDR signifies the faith reposed by the lenders in the business viability and long term prospects of the Company as well as of its PV subsidiaries.

Particulars of employees

Particulars of employees, as required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, form part of this report. However, in pursuance of Section 219(1)(b)(iv) of the Companies Act, 1956, this report is being sent to all shareholders of the Company, excluding the aforesaid information and the said particulars are made available at the Registered Office of the Company. The members interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

Reconciliation of Share Capital Audit

As directed by Securities and Exchange Board of India (SEBI) Reconciliation of Share Capital Audit is being carried out at the specified periodicity by M/s. Deloitte Haskins and Sells, the Secretarial Auditors of the Company.

Conservation of energy, research and development, technology absorption, foreign exchange earnings and outgo

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of particulars in the report of the Board of Directors) Rules, 1988 is given as per Annexure 'B' and forms part of the this Report.

Fixed deposits

During the period under review, your Company has not accepted any deposit under Section 58A of the Companies Act, 1956, read with Companies (Acceptance of Deposits) Rules, 1975.

Corporate governance

Moser Baer believes that "Corporate Governance" refers to the processes and structure by which the business and affairs of the Company are directed and managed, in order to enhance long term shareholder value through enhancing corporate performance and accountability, whilst taking into account the interests of all stakeholders.

A separate section on Corporate Governance forming a part of the Directors' Report and the certificate from M/s. Walker Chandiok & Co., Chartered Accountants, Statutory Auditors of the Company confirming compliance of conditions on

Corporate Governance as stipulated in Clause 49 of the Listing Agreement is included in this Annual Report. The Managing Director and Group Chief Financial Officer of the Company have issued the necessary certificate to the Board in terms of Clause 49(V) of Listing Agreement with Stock Exchanges for the financial period ended on December 31, 2013. However, in terms of the provisions of Section 219(1)(b)(iv) of the Companies Act,1956, the abridged annual report has been sent to the members of the company excluding this report.

Management Discussion and Analysis Report

Management's Discussion and Analysis Report (MD&A) for the period under review, as stipulated under Clause 49 of the Listing Agreement with stock exchanges in India, is presented in a separate section forming part of the Annual Report.

Listing at Stock Exchanges

The Shares of the Company continue to be listed on the Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The annual listing fees for the year 2014-2015 have been paid to the Stock Exchanges.

Directors' Responsibility Statement

As required under Section 217(2AA) of the Companies Act, 1956 your Directors state:

a) that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;

b) that we have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st December 2013 and its profit or loss for the nine month period ended on that date;

c) that we have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

d) that we have prepared the annual accounts on a going concern basis.

Conclusion

Your Company continues to maintain its leadership position in its various businesses by providing innovative differentiated products and services to its customers.

Your Company has always focused on creating new values to increase customer and stakeholders' delight. Your company has outperformed the industry in a challenging year and continues to maintain its leadership position. We continue to meet leading international quality benchmarks through our string focus on Internal Quality Management processes. This, indeed, is how your Directors propose to drive the business endeavors, as we face the future with optimism and confidence.

Your Directors place on record their appreciation for the over whelming co-operation and assistance received from investors, customers, employees, business associates, bankers, vendors as well as regulatory and government authorities.

For and on behalf of the Board of Directors
Moser Baer India Limited

Place: New Delhi
Date: 14th May, 2014

Deepak Puri
Chairman & Managing Director

ANNEXURE- A

INFORMATION REGARDING EMPLOYEES STOCK OPTION PLAN, 2004 (ESOP) DIRECTORS' STOCK OPTION PLAN, 2005 (DSOP) AND EMPLOYEES STOCK OPTION PLAN, 2009 (ESOP) (AS ON 31st DECEMBER, 2013)*

S. No.	Particulars	ESOP-2004	DSOP-2005	ESOP-2009
1	Number of Stock Options granted	6,429,650	800,000	3,033,410
2	Pricing Formula	(i) Normal allocation: - Rs.125 per Option or prevailing Market Price, whichever is higher. (ii) Special allocation: - 50% of the Options at Rs. 125 per Option or prevailing Market Price, whichever is higher and the balance 50% of the Options at Rs. 170 per Option or prevailing Market Price, whichever is higher.	Rs.170 per Option or prevailing Market Price, whichever is higher.	(i) Normal Allocation- Market price on the date of grant (ii) Special Allocation- 50% of the Options at Rs. 125 per Option or prevailing Market Price, whichever is higher and the balance 50% of the Options at Rs. 170 per Option or prevailing Market Price, whichever is higher.
3	Number of Options vested	119,650	200,000	837,395
4	Number of Options exercised	616,125	75,000	0
5	Number of shares arising as a result of exercise of option	616,125	75,000	0
6	Number of options cancelled/ lapsed	5,693,875	525,000	1,768,369
7	Variation of terms of options	N.A.	N.A.	N.A.
8	Money realized by exercise of options	Rs 135,403,076	Rs 17,122,500	0
9	Number of options in force	119,650	200,000	1,265,041
10	Employee-wise details of Options granted to: (a) Senior managerial personnel; and (b) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year.	N.A	N.A	N.A
11	Identified employees who were granted Options during any one year, equal to or Exceeding 1% of the issued capital (excluding outstanding warrant and Conversions) of the Company at the time of grant;	NIL		
12	Diluted Earnings Per Share (EPS) pursuant to issue of shares on exercise of option calculated in accordance with AS 20	(Rs. 24.07)		
13	Method of calculation of employee compensation cost	The Company has used intrinsic value method for calculating the employee compensation cost with respect to the stock options.		

S. No.	Particulars	ESOP-2004	DSOP-2005	ESOP-2009
14	Difference b/w the employee compensation cost so computed at serial number 13 above and the employee compensation cost that shall have been recognized if it had used the fair value of options		Profit Rs. 49,861,854	
15	The impact of this difference on profits & on EPS of the Company		Impact on profit- Rs. 49,861,854 Impact on EPS (basic)-Rs. (23.80) Impact on EPS (Diluted) - Rs. (23.80)	
16	Weighted-average exercise prices and weighted-average fair values of options granted during the year	N.A.	N.A.	N.A.

The Weighted Average of Vesting Period in respect of the Options granted to the Directors under DSOP-2005 were as follows:-

Grants	Weighted Average of Vesting Period
1st Grant on 11th August, 2005	2.5 years
2nd Grant on 12th December, 2006	2.5 years
3rd Grant on 25th January, 2007	2.5 years
4th Grant on 19th June, 2007	2.5 years
5th Grant on 29th April, 2009	2.5 years

The Weighted Average of Vesting Period in respect of the Options granted to the employees ESOP-2004 were as follows:-

Grants	Weighted Average of Vesting Period
1st Grant on 9th January 2004	3 years
2nd Grant on 29th November 2004	2.5 years
3rd Grant on 27th January 2005	2.5 years
4th Grant on 24th June, 2005	2.5 years
5th Grant on 17th August, 2005	2.5 years
6th Grant on 27th October, 2005	2.5 years
7th Grant on 24th January, 2006	2.5 years
8th Grant on 26th April, 2006	2.5 years
9th Grant on 7th June, 2006	2.5 years
10th Grant on 27th October, 2006	2.5 years
11th Grant on 24th January, 2007	2.5 years
12th Grant on 30th April, 2007	2.5 years
13th Grant on 11th July, 2007	2.5 years
14th Grant on 25th October, 2007	2.5 years
15th Grant on 30th January, 2008	2.5 years
16th grant on 17th April, 2008	2.5 years
17th grant on 29th April, 2008	2.5 years
18th grant on 30th July, 2008	2.5 years
19th grant on 22nd October, 2008	2.5 years
20th grant on 23rd October, 2008	2.5 years
21st grant on 30th January, 2009	2.5 years
22nd Grant on 28th April, 2009	2.5 years
23rd Grant on 29th July, 2009	2.5 years

The Weighted Average of Vesting Period in respect of the Options granted to the employees ESOP-2009 were as follows:-

Grants	Weighted Average of Vesting Period
1st Grant on 28th January 2010	2.15 years
2nd Grant on 12th March, 2010	2.15 years
3rd Grant on 12th August, 2010	2.15 years
4th Grant on 29th October, 2010	2.15 years
5th Grant on 09th February, 2011	2.15 years

Fair value of options based on Black-Scholes' Enhanced Model i.e. Enhanced FASB 123 Model for ESOP-2004

Assumptions:	Grant Date- 9/1/04 (Options subsequently cancelled	Grant Date- 29/11/04	Grant Date- 27/1/05	Grant Date- 24/6/05	Grant Date- 17/8/05	Grant Date- 27/10/05	Grant Date- 24/1/06	Grant Date- 26/4/06	Grant Date- 7/6/06	Grant Date- 27/10/06	Grant Date- 24/1/07	Grant Date- 30/04/07	Grant Date- 11/07/07	Grant Date- 25/10/07	Grant Date- 30/01/08
Risk-free interest rate	4.21% (for 6 years, source- Reuters as on 9th Jan 2004)	6.79% (for 4 years, source -NSE/ Reuters as on 29th Nov 2004)	6.55% (for 5 years, source- NSE/ Reuters as on 27th Jan 2005)	6.67% (for 5 years, source- NSE/ Reuters as on 23rd Jun 2005)	6.74% (for 5 years, source- NSE/ Reuters as on 16th Aug 2005)	6.80% (for 5 years, source- NSE/ Reuters as on 27th Oct 2005)	6.77% (for 5 years, source- NSE/ Reuters as on 23rd Jan 2006)	6.96% (for 5 years, source- NSE/ Reuters as on 25th Apr 2006)	7.37% (for 4.56 years, source- NSE/ Reuters as on 6th June 2006)	7.54% (for 4.28 years, source- NSE/ Reuters as on 27th Oct 2006)	7.73% (for 4.28 years, source- NSE/ Reuters as on 23rd Jan 2007)	8.07% (for 4.25 years, source- NSE/ Reuters as on 27th April, 2007)	7.52% (for 4.26 years, source- NSE/ Reuters as on 10th July, 2007)	7.91% (for 4.31 years, source- NSE/ Reuters as on 24th Oct, 2007)	7.42% (for 4.28 years, source- NSE/ Reuters as on 29th Jan, 2008)
Expected life	7 yrs.	7 yrs.	7 yrs.	7 yrs.	7 yrs.	7 yrs.	7 yrs	7 yrs	7 yrs	7 yrs	7 yrs	7 yrs	7 yrs	7 yrs	7 yrs
Expected Multiple	1.25 x	1.25 x	1.25 x	1.25 x	1.25 x	1.25 x	1.25 x	1.25 x	1.25 x	1.25 x	1.25 x	1.25x	1.25x	1.25x	1.25x
Expected volatility	70.0% (based on 5 years stock data from NSE)	70.0% (based on 5 years stock data from NSE)	67.0% (based on 5 years stock data from NSE)	62.03% (based on 5 years stock data from NSE)	61.44% (based on 5 years stock data from NSE)	60.76% (based on 5 years stock data from NSE)	59.02% (based on 5 years stock data from NSE)	57.30% (based on 5 years stock data from NSE)	56.84% (based on 5 years stock data from NSE)	54.66% (based on 5 years stock data from NSE)	55.03% (based on 5 years stock data from NSE)	56.14% (based on 5 years stock data from NSE)	56.19% (based on 5 years stock data from NSE)	59.98% (based on 5 years stock data from NSE)	59.70% (based on 5 years stock data from NSE)
Expected Dividends	1.0% (based on the dividend history for past 3 financial years)	0.85% (based on simple average of the dividend history of past 4 financial years)	0.85% (based on simple average of the dividend history of past 4 financial year)	0.85% (based on simple average of the dividend history of past 4 financial years)	0.58% (Weighted average dividend yield for last 3 financial years	0.58% (Weighted average dividend yield for last 3 financial years	0.58% (Weighted average dividend yield for last 3 financial years	0.58% (Weighted average dividend yield for last 3 financial years	0.58% (Weighted average dividend yield for last 3 financial years	0.46% (Weighted average dividend yield for last 3 financial years	0.46% (Weighted average dividend yield for last 3 financial years	0.46% (Weighted average dividend yield for last 3 financial years	0.54% (Weighted average dividend yield for last 3 financial years	0.54% (Weighted average dividend yield for last 3 financial years	0.54% (Weighted average dividend yield for last 3 financial years
Price of the underlying share in market at the time of option grant (in Rs.)	342.00	224.05	213.20	209.80	234.75	214.70	196.60	229.40	201.10	238.80	315.30	342.50	491.90	301.10	221.95

Fair value of options based on Black-Scholes' Enhanced Model i.e. Enhanced FASB 123 Model for ESOP-2004

Assumptions:	Grant Date- 17/04/2008	Grant Date- 29/04/2008	Grant Date- 30/07/2008	Grant Date- 22/10/2008	Grant Date- 23/10/2008	Grant Date- 30/01/2009	Grant Date- 28/04/2009	Grant Date- 29/07/2009
Risk-free interest rate	7.93%(for 4.26 years, source- NSE/ Reuters as on 17th April 2008)	7.96 % (for 4.27 years, source-NSE as on 29th Apr 2008)	9.28%(for 4.57 years, source-NSE/ Reuters as on 30th July 2008)	7.44%(for 4.57 years, source-NSE/ Reuters as on 22nd October 2008)	7.41% (for 5 years, source-NSE/ Reuters as on 22nd October, 2008)	6.17%(for 5.08 years, source-NSE/ Reuters as on 29th January, 2009)	5.95%(for 4.98 years, source-NSE/ Reuters as on 27th April, 2009)	6.32%(for 4.71 years, source-NSE/ Reuters as on 28th July, 2009)
Expected life	7 yrs.	7 yrs.	7 yrs.	7 yrs.	7 yrs.	7 yrs.	7 yrs.	7 yrs.
Expected Multiple	1.25 x	1.25 x	1.25 x	1.25 x	1.25 x	1.25 x	1.25 x	1.25 x
Expected volatility	60.79% (based on 5 years stock data from NSE)	60.92 % (based on 5 years stock data from NSE)	61.97% (based on 5 years stock data from NSE)	63.41% (based on 5 years stock data from NSE)	63.45% (based on 5 years stock data from NSE)	57.59% (based on 5 years stock data from NSE)	57.62% (based on 5 years stock data from NSE)	58.71% (based on 5 years stock data from NSE)

Expected Dividends	0.54%(based on weighted average dividend history for past 3 financial years)	0.54%(based on weighted average dividend history for past 3 financial years)	0.44%(based on weighted average of the dividend history of past 3 financial years)	0.44%(based on weighted average of the dividend history of past 3 financial years)	0.44% (Weighted average dividend yield for last 3 financial years)	0.44% (Weighted average dividend yield for last 3 financial years)	0.44%(based on weighted average of the dividend history of past 3 financial years)	0.44% (Weighted average dividend yield for last 3 financial years)
Price of the underlying share in market at the time of option grant (in Rs.)	170	176.55	95.10	100.25	94.95	62.45	67.15	84.95

Fair value of options based on Black-Scholes Enhanced Model i.e. Enhanced FASB 123 Model for DSOP-2005

Assumptions	Grant Date-11/08/05	Grant Date -12/12/06	Grant Date -25/01/07	Grant Date- 19/06/07	Grant Date-29/04/2009
Risk-free interest rate	6.56%(for 5 years, source-NSE/ Reuters as on 11th Aug 2005)	7.56% (for 4.58 years, source-NSE/ Reuters as on 12th Dec 2006)	7.68% (for 4.58 years, source-NSE/ Reuters as on 25th Jan 2007)	7.87% (for 4.32 years, source NSE/Reuters as on 19th June, 2007)	6.11% (for 5.68 years, source- NSE/Reuters as on 29th April, 2009
Expected life	7 yrs	7 yrs	7 yrs	7 yrs	7 years
Expected Multiple	1.25 x	1.25 x	1.25 x	1.25x	1.25x
Expected volatility	61.46% (based on 5 years stock data from NSE)	54.73% (based on 5 years stock data from NSE)	55.03% (based on 5 years stock data from NSE)	56.20% (based on 5 year stock data from NSE)	57.63% (based on 5 years stock data from NSE)
Expected dividends	0.58%(Weighted average dividend yield for last 3 financial years)	0.46%(Weighted average dividend yield for last 3 financial years)	0.46%(Weighted average dividend yield for last 3 financial years)	0.54% (Weighted average dividend yield for last 3 financial years)	0.44% (weighted average dividend yield for last 3 financial years)
Price of the under-lying share in market at the time of option grant (in Rs.)	228.30	242.60	319.25	425.25	65.30

* Two Options granted before the record date i.e. 18th July, 2007 under the above plans entitles the holder to three Options of the Company.

Fair value of options based on Black-Scholes' Options Pricing Formula for ESOP-2009

Assumptions:-	Grant Date-28/1/10 (Options subsequently cancelled	Grant Date-12/03/10	Grant date-12/08/2010	Grant date – 29//10/2010	Grant Date-08/02/2011
Risk-free interest rate	7.39%(for 5 years, source-NSE/ Reuters as on 27th Jan 2010)	7.44% (for 5 years, source-NSE/ Reuters as on 12th March 2010)	7.48% (for zero coupon interest rate on Government Securities derived from zero coupon yield curve as on 11th August, 2010)	7.72% (For zero coupon interest rate on Government Securities derived from zero coupon yield curve as on 28th October, 2010)	8.03% (For zero coupon interest rate on Government Securities derived from zero coupon yield curve as on 8th February, 2011)
Expected life	7 yrs.	7 yrs.	7 years	7 years	7 years
Expected Multiple	1.25 x	1.25 x	1.25x	1.25x	1.25x
Expected volatility	71.52%(based on 5 years stock data from NSE)	72.19%(based on 5 years stock data from NSE)	58.21% (based on 5 years stock data from NSE)	58.17% (based on 5 years stock data from NSE)	58.73% (based on 5 years stock data from NSE)
Expected Dividends	0.97%(Weighted average dividend yield for last 5 financial years)	0.97% (Weighted average dividend yield for last 5 financial years)	0.58% (weighted average of the dividend history of past 5 financial years)	0.58% (weighted average of the dividend history of past 5 financial years)	0.58% (weighted average of the dividend history of past 5 financial years)
Price of the under-lying share in market at the time of option grant (in Rs.)	71.11	73.86	62.80	66.40	46.30

For and on behalf of the Board of Directors
Moser Baer India Limited

Place: New Delhi
Date: May 14, 2014

Deepak Puri
Chairman & Managing Director

ANNEXURE B

Information as per Section 217(1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the nine month period ended 31st December, 2013.

A. Conservation of energy

Through internal development and efforts on energy saving, we have achieved a cumulative saving of 500 KW with small additional investment of Rs 2.5 million.

i) Intra-plant consolidation was implemented to reduce the plant load. We hope to reduce power consumption by 750 KW in the year 2014-15.

ii) Generation of captive power was reduced to cut down buying of Fuel oil, non continuous Loads were switched to state grid power.

iii) Implementation of power cost reduction plans ongoing

B. Technology absorption, adaptation and innovation, research & development

With finalization of high definition formats like BDR and BDRE, Optical media is now fully matured and developed technology. Therefore, the company is mainly focusing on the innovation related to the cost reduction activities to make this business sustainable. During the year, a number of such projects were completed through design and process innovation. These innovations have been successfully incorporated into some of the company's products and an ongoing effort is being made to improve the utilization of this innovation and produce newer innovative products with enhanced features.

Our Company is a part of many International Forums and R&D initiatives that are dedicated to the development of future formats like Blue-ray. Such participative activities have significantly enhanced the image of our company as an individual entity and our country as a whole in the mind of the International community.

1. Efforts, in brief, made towards technology absorption, adaptation and innovation

Moser Baer continued to innovate on BDR/RE format and successfully mastered this technology. An alternate stack design has developed to make BDR product more cost competitive with enhanced reliability and life time without compromising the other performance.

2. Benefits derived as a result of the above efforts:

MBIL has expanded its market share due to its cost competitiveness and enhanced features in BDR and BDRE in Japan market as well as other world markets where these formats are getting popular.

3. Technology imported during last 5 years:

Technology imported	Year of import	Has Technology been fully absorbed?	If not fully absorbed, area where this has not taken place, reasons there for and future plans of actions
Technology for Dual Layer DVD+/- R (2P) from MKM	2007	Yes	NA
Technology for BDR from OMT	2008	Yes	NA
Technology for BDRE (ODM Process) from Panasonic	2010	Yes	NA
Technology for BDR (ODM Process) from Panasonic	2011	Yes	NA

C. Research & Development

The specific areas in which Research & Development was carried out by your Company and the benefits derived as a result thereof are as follows:

1. Specific areas in which R&D carried out by the company

1.1. Blu-Ray Development

1.1.1. Moser Baer continued to innovate BDR/RE format and successfully developed different product variants to meet customer requirement.

1.2. BDR/RE, DVDR / RW, DL, CDRW new customers qualification

1.2.1. Working with Sony and Imation for different variants of BDR/BDRE.

1.2.2. BDR 1X-6X qualification with Sony is under final stage

1.3. Printable Surface

1.3.1. Smooth finish inkjet printable BDR has been developed for European customer.

1.3.2. Developed glossy water resistant inkjet printable CDR & DVDR product for European Customers.

1.4. Mastering & Stampering unit

1.4.1. BDR 1x-4x, BDR 1X-6X and BDRE 1X-2X stamper developed in-house and regularly used for production. A substantial improvement on groove geometry and morphology accomplished through innovative photo-resist process.

1.4.2. Contributed towards greener environment - company initiated to recycle 20 % of scrap nickel at stamper manufacturing.

1.5. Cost Competitiveness Projects

1.5.1. MBI developed in-house bonding glue as cheaper import substitute and successfully implemented in DVDR format.

1.5.2 MBI developed a low cost unique reflective layer alloy target for CDR and DVDR which can replace the expensive silver target.

1.5.3 In-house development of controller chip for USB drives

1.6. Materials Development for Optoelectronics Application

1.6.1. Successfully developed UV acrylate based bonding glue and lacquer for CDR and DVDR

2. New Initiatives

2.1. Initiated development of Acrylate based printing ink and varnishes as an import substitute;

2.2. Initiated high end instrumental analysis like SEM, EDAX, XRD, and AFM for failure analysis and product development;

2.3 In-house development of LED products based on key OEM requirements; and

2.4 Developed and commercialized tokens for digital signature on solid state media.

3 New Equipment added in R & D Lab

No major equipment in R&D acquired during the period April - December, 2013.

4 Benefits derived as a result of the above R & D

4.1 The development of unique six layers hybrid stack for BDR 1X-6X and BDR 1X-4x to improve the product reliability and yield.

4.2 MBIL has developed Acrylate based bonding glue as an import substitute for application in DVDR bonding process.

5. Future plan of actions:

5.1. MBI will focus to develop acrylate based UV printing ink as an import substitute

5.2. MBI will focus to develop BDR/RE cover layer as an import substitute.

Expenditure on R& D

Recurring expenses of Rs 41.13 million was incurred during the period towards R&D expenses, which is 0.4% of the total turnover of the Company.

These expenses are part of expenses incurred under various revenue or capital heads.

Foreign exchange earnings and outgo

Total foreign exchange earned comprising of FOB value of exports, interest, insurance claims and dividend received was Rs 5,492 million, where as total foreign exchange used (comprising of CIF value of imports, dividend and other outgoings) was Rs 3,059 million.

For and on behalf of the Board of Directors
Moser Baer India Limited

Place: New Delhi
Date: May 14, 2014

Deepak Puri
Chairman & Managing Director

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE

Corporate Governance is about commitment to values and ethical business conduct. Corporate Governance means a set of systems procedures, policies, practices, standards put in place by a corporate to ensure that relationship with various stakeholders is maintained in transparent and honest manner and it works for the benefit of everyone concerned.

Corporate Governance is concerned with the way corporate entities are governed and evolves with the growth and circumstances of a company. It ensures that the enterprise adheres to the accepted ethical standards and best practices as well as formal laws while steering an organization in the desired direction. Accordingly, timely and accurate disclosure of information regarding the financial situation, performance, ownership and governance of the company is an important part of corporate governance. This improves public understanding of the structure, activities and policies of the organization.

Corporate governance guidelines and best practices have evolved over a period of time and in India, are enshrined in Clause 49 of the Listing Agreement.

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate governance is the application of best management practices, compliance of law in true letter and spirit and adherence to ethical standards for effective management and distribution of wealth and discharge of social responsibility for sustainable development of all stakeholders.

Moser Baer believes that "Corporate Governance" refers to the processes and structure by which the business and affairs of the Company are directed and managed, in order to enhance long term shareholder value through enhancing corporate performance and accountability, whilst taking into account the interests of all stakeholders.

The Corporate Governance philosophy of the Company is based on the following principles:

- Satisfaction of the spirit of the law through ethical business conduct;
- Transparency and a high degree of disclosure levels;
- Truthful communication about how the company is run internally;
- A simple and transparent corporate structure driven solely by the business needs;
- Strict compliance with Clause 49 of the Listing Agreement as amended from time to time;
- Establishment of an efficient corporate structure for the management of the Company's affairs;
- Management is the trustee of the shareholders' capital and not the owner.

The Company has also evolved the Code of Corporate Governance to ensure the best practices of Corporate Governance within the Company.

2. BOARD OF DIRECTORS

Moser Baer believes that at the core of its corporate governance practice is the Board, which oversees how the management serves and protects the long-term interests of all the stakeholders of the Company. An active, well-informed and independent board is necessary to ensure the highest standards of corporate governance. Our Board exercises its fiduciary responsibilities in the widest sense of the term.

Moser Baer adheres to good Corporate Governance through clear identification of powers, roles, responsibilities and accountability of the Board. Moser Baer believes that composition of board is conducive for making decisions expediently, with the benefit of a variety of perspectives and skills, and in the best interests of the company as a whole rather than of individual shareholders or interest groups.

Independent Board is essential for sound corporate governance. Moser Baer believes in appropriate mix of executive and independent directors on the Board to maintain independence of the Board and separate management functions from it.

An independent director is independent of management and free of any business or other relationship that could materially interfere or could reasonably be perceived to materially interfere with the exercise of their unfettered and independent judgment.

<u>Definition of 'Independent Director' as per Clause 49 of the Listing Agreement</u>

'Independent Director' shall mean a Non-Executive Director of the Company who apart from receiving director's remuneration, does not have any material pecuniary relationships or transactions with the company, its promoters, its directors, its senior management or its holding company, its subsidiaries and associates which may affect independence of the director

- is not related to promoters or persons occupying management positions at the board level or at one level below the board;
- has not been an executive of the company in the immediately preceding three financial years;

- is not a partner or an executive or was not partner or an executive during the preceding three years, of any of the following:
    - i) the statutory audit firm or the internal audit firm that is associated with the company, and
    - ii) The legal firm(s) and consulting firm(s) that have a material association with the company.
- Is not a material supplier, service provider or customer or a lessor or lessee of the company, which may affect independence of the director; and
- Is not a substantial shareholder of the company i.e. own two percent or more of the block of voting shares.
- Is not less than 21 years of age.

COMPOSITION OF BOARD

The Company has a broad-based Board consisting of mix of Executive, Non-Executive and Independent Directors. As on December 31, 2013, the Board of Moser Baer India Limited comprises of 7 (Seven) Directors, out of which two Executive Directors and Five Non – Executive Directors. The Board represents an optimal mix of professionalism, knowledge and experience. The details relating to Composition & Category of Directors, Directorships held by them in other companies and their membership and chairmanship on various Committees of Board of other companies is as follows:

COMPOSITION OF THE BOARD

Name of the Director	Category	Equity Investors/ Lenders represented	Designation	No. of other Directorships in Public Companies Including Private Companies which is a subsidiary of Public Company	No. of Committee membership (including MBIL's Committees)	
					Chairman	Member
Mr. Deepak Puri	Promoter and Executive	N.A.	Chairman and Managing Director	10	2	4
Mrs. Nita Puri	Executive	N.A.	Whole Time Director	10	2	3
Mr. John William Edward Levack	Non-Executive and Nominee	Electra Partners Mauritius Limited	Director	1	1	0
Mr. Frank E. Dangeard*	Independent and Non-Executive	N.A.	Director	2	0	2
Mr. Bernhard Gallus	Independent and Non-Executive	N.A.	Director	2	0	2
Mr. K Ajit Kumar#	Non-Executive, Independent, Nominee	EXIM Bank	Director	2	0	0
Mr. Vineet Sharma	Independent and Non-Executive	N.A	Director	3	0	2
Mr. Sanjay Jain $	Independent and Non-Executive	N.A	Director	0	1	0

** Mr. Franck E. Dangeard resigned as Non Executive Director w.e.f. April 01, 2014.*

#Mr. K Ajit Kumar appointed as Nominee Director on behalf of EXIM Bank. He is Non-Executive and, Independent Director with effect from February 7, 2014.

$Mr. Sanjay Jain appointed as Alternate Director to Mr. Bernhard Gallus w.e.f. August 06, 2013 and Effective from November 13, 2013 he ceased to be Alternate Director and inducted as Non Executive Independent Director.

Notes:

a) The directorships held by the Directors, as mentioned above do not include the Alternate directorships, directorships held in Private Limited Companies, Foreign Companies and Companies under Section 25 of the Companies Act, 1956.

b) The committees considered for the purpose are those prescribed under Clause 49(I)(C)(ii) of the Listing Agreement(s) viz. audit committee and Stakeholders' Relationship committee of Indian Public Limited Companies and Private Limited Companies which are Public Limited Companies in terms of Section 3(1)(iv)(c) of the Companies Act, 1956.

c) None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees (as specified in Clause 49 of the Listing Agreement) across all the public companies in which the person is a Director. Necessary disclosures regarding Committee positions in other public limited companies as on December 31, 2013 have been made by the Directors.

d) The non - executive directors do not hold any equity shares and warrants of the Company.

BOARD MEETINGS & ATTENDANCE

The information as required under Annexure I-A to Clause 49 of the Listing Agreement is made available to the Board. Adequate information is circulated as part of the agenda papers to enable the Board to take informed decisions.

During the nine months financial period ended on 31.12.2013 the Board met on the following dates:

May 30, 2013, August 8, 2013, November 13, 2013 and November 14, 2013

ATTENDANCE RECORD OF DIRECTORS

Name of the Director	Board meetings held during the year	Meetings Attended		Attended last AGM held on Monday, September 30, 2013
		Present in Person	Attended through Audio /Video conferencing	
Mr. Deepak Puri	4	3	0	Yes
Mrs. Nita Puri	4	3	0	No
Mr. John William Edward Levack	4	3	0	No
Mr. Bernhard Gallus	3	0	2	No
Mr. Franck E. Dangeard#	4	2	0	No
Mr. Sanjay Jain*	3	3	0	Yes
Mr. Vineet Sharma	4	3	0	No

Other provisions as to Board and Committees

The Board meets at regular intervals to discuss and decide on Company/business policy and strategy apart from other Board business. Apart from placing the statutory required information before the Board Members, it is the policy of the Company to regularly place the information / matter involving major decisions like Annual Budget, Technology Collaboration, Investments, Quarterly Results, and Quarterly Compliance Reports on all laws applicable to the Company and other material information. All the information relevant to the Company as required under various Clauses of the listing agreement is also made available to the Board.

The Board/ Committee meetings are pre-scheduled and a tentative annual calendar of Board and Committee meetings is circulated to the Directors well in advance to facilitate them to plan their schedules and to ensure meaningful participation in the meetings.

During the financial period ended December 31, 2013, four Board Meetings were held as per the minimum requirement prescribed in Clause 49 of the Listing Agreement. The intervening period between the Board Meetings were within the maximum time gap prescribed under Companies Act, 1956 and Clause 49 of the Listing Agreement

Information available to the Board

During the financial period ended December 31, 2013, information as mentioned in Annexure 1A to Clause 49 of the Listing Agreement has been placed before the Board for its consideration.

3. BOARD COMMITTEES

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas / activities which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board, to carry out clearly defined roles which are considered to be performed by Members of the Board, as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. Recommendations of the Committees are submitted to the Board of Directors for approval. The Minutes of the meetings of all the Committees are placed before the Board for review. The

frequency and agenda of meetings of each of these Committees is determined by the Chairman of the Board/ Executive Director in consultation with the Chairman of the concerned Committee. These Committees meet as and when the need arises.

The Board currently has following committees:

A. Audit Committee;

B. Nomination and Remuneration Committee;

C. Stakeholders' Relationship Committee;

D. Corporate Governance Committee;

E. Banking and Finance Committee;

F. Project Dezire Committee;

G. Corporate Social Responsibility Committee and

H. FCCB Committee

A. AUDIT COMMITTEE

Besides, the regulatory requirement for constituting an Audit Committee, the existence of an independent audit committee is recognized internationally as an important feature of good corporate governance.

The ability of the audit committee to exercise independent judgment is crucial for judging the integrity of financial statements of the Company. The Company has a qualified and independent Audit Committee.

(i) Primary Objective

The primary objective of the Audit Committee is to monitor and provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely and proper disclosures and transparency, integrity and quality of financial reporting.

The Audit Committee has the power to do the following:-

a) To investigate any activity within its terms of reference.

b) To seek information from any employee.

c) To obtain outside legal or other professional advice.

d) To secure attendance of outsiders with relevant expertise, if it considers necessary.

(ii) Role of the Committee

The role of the Audit Committee has always been updated to comply with the amendments brought in by SEBI in listing agreements. Thus, the role of the Committee is:

a) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

b) 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 fee.

c) Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.

d) Reviewing, with the management, the annual financial statements before submission to the Board of Directors for approval, with particular reference to:

- Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
- Changes, if any, in accounting policies and practices and reasons for the same.
- Major accounting entries involving estimates based on exercise of judgment by management.
- Significant adjustments made in the financial statements arising out of audit findings.
- Compliance with listing and other legal requirements relating to financial statements.
- Disclosure of any related party transactions.
- Qualifications in draft audit report.

e) Reviewing with the management, the quarterly financial statements before submission to the Board for approval.

f) Reviewing, with the management, performance of Statutory and Internal Auditors and adequacy of the internal control systems.

g) 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.

h) Discussing with internal auditors any significant findings and follow up thereon.

i) 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.

j) Discussing with the Statutory Auditors before the audit commences about the nature and scope of audit as well as have post-audit discussion to ascertain any area of concern.

k) Looking 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.

l) To review the functioning of the Whistle Blower mechanism.

m) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

n) Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance or discharging function) after assessing the qualifications, experience & background, etc. of the candidate.

o) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee also have following powers w.r.t. Moser Baer SEZ Developer Limited and Moser Baer Entertainment Limited, the wholly owned subsidiaries of the Company:-

i) To discuss with the auditors periodically about the internal control systems, the scope of audit including the observations of auditors

ii) To review the half yearly and annual financial statements before submission to the Board of Moser Baer SEZ Developer Limited and quarterly and annual financial statements of Moser Baer Entertainment Limited

iii) To ensure compliance of Internal control systems

iv) To investigate into any matters specified above

v) To appoint the Internal Auditor of Moser Baer SEZ Developer Limited and Moser Baer Entertainment Limited, if any

vi) Reviewing with management the statement of uses/ application of funds during a Financial Year of Moser Baer Entertainment Limited

vii) Reviewing the internal audit findings and Internal Audit Plan of Moser Baer SEZ Developer Limited and Moser Baer Entertainment Limited, if any

The Audit Committee has been authorized to mandatorily review the following information:

a) Management discussion and analysis of financial condition and results of operations.

b) Statement of significant related party transactions, submitted by management.

c) Management letters / letters of internal control weaknesses issued by the Statutory Auditors.

d) Internal audit reports relating to internal control weaknesses.

e) The appointment, removal and terms of remuneration of the Chief Internal Auditor.

COMPOSITION, MEETINGS & ATTENDANCE OF THE COMMITTEE

During the period under review, the Audit Committee was re-constituted on November 13, 2013 comprising of Mr. Sanjay Jain as Chairman, Mr. Deepak Puri, Mr. Franck E. Dangeard, Mr. Vineet Sharma and Mr. Bernard Gallus as Members.

The particulars of meetings and attendance by the Members of the Committee during the financial period ended on 31.12.2013 under review are given in the table below:

Members	Committee Meetings held during the period	Meetings attended	
		Present in Person	Attended through Audio /Video conferencing
Mr. Sanjay Jain (Chairman)	2	2	0
Mr. Deepak Puri	3	2	0
Mr. Franck E. Dangeard*	3	2	0
Mr. Vineet Sharma	2	1	0
Mr. Bernhard Gallus	2	0	2

** Mr. Franck E. Dangeared resigned w.e.f. April 01, 2014.*

In addition to the Members of the Audit Committee, these meetings are attended by the CFO and other respective functional heads and Auditors of the Company, wherever necessary, and those executives of the Company who are considered necessary for providing inputs to the Committee.

The Company Secretary acts as the Secretary to the Audit Committee. Mr. John Levack is the permanent invitee to the meetings of the Committee.

The Chairman of the Committee was present at the Annual General Meeting held on Monday, September 30, 2013. The gap between two meetings did not exceed four months.

B. NOMINATION AND REMUNERATION COMMITTEE (FORMERLY KNOWN AS COMPENSATION COMMITTEE)

Moser Baer believes that independent determination of the remuneration policy of the Executive Directors of the Company is a fundamental for ensuring the transparency and hence, the corporate governance practices of the Company. The interests of shareholders and the market are best served through a transparent and readily understandable framework for executive compensation and its costs and benefits. Transparency as to the remuneration policy should be complemented by full and effective disclosure, in keeping with the spirit and intent of the Companies Act, 1956 and Clause 49 of Listing agreement.

(i) Constitution and Composition of the Committee

The compensation committee was renamed as Nomination and remuneration committee in compliance of Companies Act, 2013. The Committee was also re-constituted on 14.05.2014 and the present composition of the Remuneration Committee is as follows:

Name of the Member	Status	Category
Mr. John Levack	Chairman	Independent Director
Mr. Bernhard Gallus	Member	Independent Director
Mr. Sanjay Jain**	Member	Independent Director

***Mr. Sanjay Jain appointed member w.e.f. May 14, 2014.*

No committee meeting held during the financial period ended on December 31, 2013. The Company Secretary acts as the Secretary of the Committee.

(ii) Terms of reference

a) To identify persons who are qualified to become directors

b) Evaluation of director's performance

c) Determining criteria for independent directors in respect to qualifications, positive attributes and independence of director.

d) Formulate a policy relating to the remuneration for the directors, key managerial personnel and other employees

e) To administer the Employees Stock Option (ESOP) and the Directors' Stock Option Plan (DSOP) of the Company."

(iii) Responsibilities and authorities of the Nomination and Remuneration Committee

a) The Nomination and Remuneration Committee shall review and approve for the Executive Directors of the Company:-

- The annual base salary,
- Annual incentive bonus, if any,
- Any other benefits, compensation or arrangements.

b) The Compensation Committee shall evaluate, and if necessary, amend performance parameters of the Executive Directors;

c) The Compensation Committee may make recommendations to the Board in relation to incentive plans for the Executive Directors; and

d) Administer the ESOP and DSOP schemes of the Company.

(iv) Remuneration Policy

a) Executive Directors

The details of the remuneration paid and payable to Mr. Deepak Puri (Managing Director), Mrs. Nita Puri (Whole Time Director) during the nine months period ended on December 31, 2013 are as follows:

(Amount in ₹)

Particulars	Mr. Deepak Puri, Managing Director	Mrs. Nita Puri, Whole Time Director
Salaries, allowances and bonus	87,69,893	27,48,888
Contribution to Provident Fund	1,08,750	1,08,750
Perquisites	10,52,387	3,29,872
TOTAL	**99,31,030**	**31,87,500**

Notes

1. The remuneration has been accrued in the books subject to the limits specified in schedule XIII to the Companies Act, 1956 and/or as approved by the Central Government.
2. As the future liability for gratuity and leave encashment is provided on actuarial valuation basis for the company as a whole, the amount pertaining to the directors is not ascertainable and therefore not included above.

Service Contracts, Notice Period, Severance Fees

The Company has executed a Service Contract with Mr. Deepak Puri, Managing Director and Mrs. Nita Puri, Whole Time Director whereby both of them have been appointed for a period of five years with effect from 1st September, 2011 and 1st December, 2011 respectively. Both of them are entitled to resign from his/her office at any time upon giving to the Company at least three calendar months' written notice. No severance fees shall be payable to either of them.

Managing Director and Whole Time Director are entitled for the performance bonus which is based on the performance of the Company and their individual performance during the period, as approved by the Nomination and Remuneration Committee and considered by the Board. No stock options were granted to the Executive Directors of the Company.

b) Non-Executive Directors

All pecuniary relationships or transactions of the Non-Executive Directors with the Company: There is no transaction with the associates or relatives of the Non-Executive Directors during the financial period under review except in so far mentioned hereinafter:.

(i) Stock Options

Initially, the shareholders of the Company had passed a resolution to offer the stock options to the Non-Executive Directors of the Company to the maximum of 4,50,000 Equity Shares and thereafter the shareholders further passed a resolution and the maximum limit increased to 10,00,000 Equity Shares. Under the terms of approved Directors' Stock Option Plan (DSOP), each Non-Executive Director is entitled to receive up to a maximum of 1,00,000 stock options.

Status of stock options accepted under the above mentioned plan is as follows:

Name of Directors	No. of stock options granted	
	Original	Bonus options
Mr. John Levack	1,00,000	50,000
Mr. Bernard Gallus	1,00,000	50,000
Mr. Frank E. Dangeard*	1,00,000	-

**Mr. Franck E. Dangeared resigned w.e.f. April 01, 2014*

(ii) Commission

Non – Executive Directors are not entitled to any commission during the year under review.

(iii) Sitting Fees

During the period ended on December 31, 2013, the non-executive Directors were paid sitting fees of Rs. 20,000 for each Board Meeting and Rs. 10,000 for each Committee meeting attended by them.

(iv) Service Contracts, Notice Period, Severance Fees

Mr. Bernhard Gallus, Mr. Vineet Sharma and Mr. Sanjay Jain are the Directors liable to retire by rotation. No severance fees will become payable to them if they desire not to continue as Directors of the Company.

Mr. John Levack (non-rotational nominee Director and representative of Electra Partners Mauritius Ltd.) - No severance fees will become payable to him if Electra Partners Mauritius Ltd. withdraws his nomination from the Directorship of the Company.

C. STAKEHOLDERS' RELATIONSHIP COMMITTEE (FORMERLY KNOWN AS INVESTORS' GRIEVANCE COMMITTEE)

(i) Composition

In compliance of Companies Act, 2013, the committee was renamed as stakeholders' relationship committee. The present composition of the Committee and the details of meetings attended by the Directors are given below:

Members	No. of meetings attended		Date of Meetings
	Present in Person	Attended through Audio /Video conferencing	
Mr. John Levack (Chairman)	3	0	May 30, 2013
Mr. Deepak Puri	2	0	August 08, 2013
Mrs. Nita Puri	2	0	November 13, 2013
Mr. Bernhard Gallus	0	2	

The Company Secretary acts as the Secretary of the Committee.

(ii) Terms of reference

The functioning and terms of reference of the Committee are to oversee various matters relating to redressal of Shareholders' and investors' Grievances as given below:-

i. To consider and resolve the grievances of security holders of the Company

ii. Non- Receipt of transfer of shares

iii. Matters relating to dematerialization/rematerialization of shares;

iv. Non-receipt of Annual Reports;

v. Non-receipt of Dividend;

vi. All other allied matters.

(iii) Meetings

During the period, the Committee held 3 (Three) meetings on May 30, August 8 and November 13, 2013.

Name and designation of the Compliance Officer: Mrs. Minni Katariya, Head Legal and Company Secretary.

The transfer / transmission of physical share certificates is approved by the Company Secretary at least once in a fortnight on the basis of recommendations received from the Company's Registrars and Share Transfer Agent-M/s. MCS Limited.

The investors may lodge their grievances through e-mail at shares@moserbaer.in or contact the Compliance Officer at the following numbers: -

Telephone numbers : (011) 40594444

Fax numbers : (011) 41635211/ 26911860

Information regarding complaints received from the shareholders through SEBI, NSE and BSE during the period April 1, 2013 to December 31, 2013

Nature of the complaints	Received	Replied satisfactorily	Pending
Relating to transfer, transmission, etc.	1	1	0
Relating to dematerialization	0	0	0
Relating to dividend	3	3	0
Relating to bonus	0	0	0
Relating to Annual Report	0	0	0
Relating to miscellaneous matters	3	3	0
TOTAL	7	7	0

No share was pending for transfer as on December 31, 2013.

D. CORPORATE GOVERNANCE COMMITTEE

(i) Composition

The Committee comprises of three members i.e., Mr. John Levack, Mr. Deepak Puri and Mr. Bernhard Gallus. The Company Secretary acts as the Secretary of the Committee.

(ii) Terms of reference

a) To evaluate the current composition, organization and governance of the Board and its Committees, as well as determine future requirements and make recommendations in this regard to the Board for its approval.

b) To recommend the appointment of such Directors on the Board who are of proven competence and have adequate professional experience.

c) To oversee the evaluation of the Board.

d) To recommend to the Board, Director Nominees for each Committee of the Board.

e) To coordinate and approve Board and Committee meeting schedules.

f) To make regular reports to the Board on the matters listed herein and on such other matters as may be referred to it by the Board from time to time.

g) To advise the Company on the best business practices being followed on corporate governance issues world-wide and to implement those in the Company appropriately.

h) To appoint any outside agency to report on corporate governance matters.

i) To appoint consultants in this regard and to obtain and implement their advise, reports or opinions.

j) To recommend to the Board the governance structure for management of affairs of the Company.

k) To review and re-examine this charter annually and make recommendations to the Board for any proposed changes.

l) To annually review and evaluate its performance.

E. BANKING AND FINANCE COMMITTEE

(i) Composition

Mr. Deepak Puri is the Chairman of the Committee. Other member of the Committee is Mrs. Nita Puri. The Company Secretary acts as the Secretary of the Committee.

(ii) Terms of reference

The Banking and Finance Committee identifies the fund-based and non-fund based requirements of the Company and approves the availing of these facilities from Banks and Financial Institutions, as and when the need arises, within the limits sanctioned by the Board. The Banking and Finance Committee also authorize the officials of the Company to execute the routine documents on behalf of the Company

F. PROJECT DEZIRE COMMITTEE

(i) Composition

During the financial period ended on December 31, 2013, the Project Dezire Committee was re-constituted on August 08, 2013. The present composition of Project Dezire Committee constitutes Mr. Deepak Puri and Mr. John Levack. Mr. Deepak Puri is the Chairman of the Committee. The Company Secretary acts as the Secretary of the Committee.

(ii) Terms of reference

The Project Dezire Committee has the rights, authorities and powers to do all the acts in relation to or ancillary to any of the related matter including but not limited to the following:

a) Approving the offer document and filing the same with any authority or persons as may be required;

b) Approving the issue price and the detailed terms and conditions of the issue of the Securities including determining the conversion price of convertible Securities, the number of equity shares to be allotted, the basis of allocation and allotment of Equity Shares;

c) To affix the Common Seal of the Company on any agreement(s)/ documents as may be required to be executed in connection with the above, in the presence of any Director of the Company and persons authorized who shall sign the same in token thereof;

d) To appoint Lead Managers, Underwriters, Guarantors, Depositories, Custodians, Registrars, Trustees, Bankers, Lawyers, Advisors and all such Agencies as may be involved or concerned in such offerings of Securities and to remunerate them by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangements, agreements, memorandum, documents, etc., with such agencies and to remove and modify the terms of appointment of any such agencies;

e) To issue and allot such number of Equity Shares as may be required to be issued and allotted upon conversion of any Securities or as may be necessary in accordance with the terms of each offering, all such Equity Shares ranking pari-passu with the existing Equity Shares of the Company in all respects, except the right as to dividend which shall be as provided under the terms of the issue and each of the offering documents;

f) Arranging the delivery and execution of all contracts, agreements and all other documents, deeds, and instruments as may be required or desirable in connection with the issue of Securities by the Company;

g) To mortgage and/or create a charge on all or any of the moveable, immoveable or intangible assets of the Company including any subsidiary thereof, on such terms and conditions as may be deemed necessary in order to secure the funds raised by the Company, up to USD 165 million or any other transactions contemplated by the aforementioned resolutions.

h) To pledge or create a lien on all or any of the investments held by the Company including any Subsidiary thereof on such terms and conditions as may be deemed necessary in order to secure the funds raised by the Company, up to USD 165 million.

i) Taking decision to open the issue, decide issue opening and closing dates of each offering;

j) Opening and operating such banks accounts, escrow account and demat accounts as may be required for the transaction;

k) To finalise the terms of the exchange offer, if any to be provided to the existing bond holders and cancel the existing bonds, if required

l) To consider and finalise various options for such restructuring the liability of the Company, including considering repurchase/early redemption of FCCBs through market purchases or tender offers or a combination thereof, including for exchange with existing FCCBs and/or resetting the conversion price the existing FCCBs, subject to applicable law requisite approvals and to enter into the necessary documentation required for such activities.

m) To determine the timing, pricing and all the terms and conditions for the aforesaid purchases or tender offers subject to applicable law;

n) Making all the necessary applications including application for listing of the Equity Shares of the Company on one or more stock exchange(s), applications to RBI, SEBI or any other authority wherever required as per applicable

laws for any of the transactions or matters contemplated by the aforementioned resolutions and to execute and to deliver or arrange the delivery of the listing agreement(s) or equivalent documentation to the concerned stock exchange(s) and make the necessary regulatory filings in this regard, if required; and

o) To do all such acts, deeds, matters and things and execute all such other documents, as it may, in its absolute discretion, deem necessary or desirable for the purpose of the transactions or matters and to authorize or delegate all or any of the powers herein above conferred to any or more persons, if needed and to settle all questions, difficulties or doubts that may arise in this regard.

G. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

(i) Composition

Mr. Deepak Puri is the Chairman of this Committee. The other members of the Committee are Mrs. Nita Puri and Mr. Bernhard Gallus. During the financial period, one meeting was held on August 07, 2013.

(ii) Scope of work and powers of the Committee are as follows:

(a) To interpret the organizational CSR objectives and set up specific goals to be achieved towards these objectives.

(b) To make periodical appraisal of CSR initiatives.

(c) To decide about resource allocation for each of the focus areas from its corpus.

(d) To prepare and place before the Board the CSR Annual Report.

(e) To prepare and lay before the Board 'the Action Plan' for the ensuing year.

(f) To set up a Trust, to contribute to the trust such funds as may be required from the overall corpus for CSR activity.

(g) To appoint the Standing Committees and other Committees or sub- Committees, as may be necessary from time to time.

(h) To delegate any or all of its powers to the Chairman of the Board of Directors, other Committees or Sub-Committees duly appointed.

(i) To select representatives/candidates from among the members of the Committee for participation in national and international seminars/conferences, workshops, study tours and training courses. The cost shall be borne by the Committee from the CSR budget. However, in case of the Chairman of the Board of Directors, the cost shall be borne by the Company.

H. FCCB COMMITTEE

During the financial period under review, the Board of Directors re-constituted FCCB Committee on August 08, 2013 to handle, resolve and execute the issues relating to or emerging out of the restructuring/refinancing process of Foreign Currency Convertible Bonds. The members of the FCCB's Committee are as follows:

The present composition of Committee constitutes Mr. Deepak Puri and Mr. John Levack. Mr. Deepak Puri is the Chairman of the Committee. Company Secretary acts as Secretary to the Committee.

The Committee is authorized to do the following acts:

a. To consider and finalise various options for restructuring/refinancing of the Outstanding Bonds in accordance with applicable law, including but not limited to extending the maturity period of the Outstanding Bonds, amending the terms of the Outstanding Bonds, changing the face value of the Outstanding Bonds, repurchase/ redemption of the Outstanding Bonds and their cancellation and /or exchanging the Outstanding Bonds with one or more tranches of New Bonds (the terms of which will be decided by the committee);

b. To undertake all such actions and make all such payments as may be deemed necessary to give effect to such restructuring options agreed to by the FCCB Committee, subject to applicable law;

c. To finalise and send notices to the Trustee and/or the Outstanding Bondholders;

d. To make application to the Reserve Bank of India and such other authorities as may be required for the restructuring/refinancing of the Outstanding Bonds;

e. To appoint and to ratify the appointment of, if required, the Lead Managers, Underwriters, Guarantors, Depositories, Custodians, Registrars, Trustees, Bankers, Lawyers, Advisors and all such Agencies as may be involved or concerned in such restructuring/refinancing and to remunerate them by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangements, agreements, memorandum, documents, etc., with such agencies and also to seek the listing of such Securities on one or more National and/or International Stock Exchange(s);

f. To finalise and circulate to the Outstanding Bondholders or new investors an offering circular, memorandum, or

any other relevant documents as may be required for the proposed restructuring/refinancing of the Outstanding Bonds;

g. To issue and allot such number of Equity Shares and other securities including FCCBs as may be required to be issued and allotted upon conversion/exchange, in accordance with the terms of the offering. All such Equity Shares shall rank pari passu with the existing Equity Shares of the Company in all respects, except the right as to dividend which shall be as provided under the terms of the issue and in the offering documents;

h. To determine the form, terms and timing of the restructuring/refinancing, including but not limited to the number of new bonds to be allotted, issue price, face value, premium amount, rate of interest, conversion price and period, listings on one or more stock exchanges in India and / or abroad as the Board in its absolute discretion deems fit and to make and accept any modifications in the proposal as may be required by the authorities involved in such issues in India and/or abroad, to do all acts, deeds, matters and things and to settle any questions or difficulties that may arise in regard to the Issue(s);

i. To finalize the allotment of new bonds in respect of the subscriptions received, basis of allotment in case of over-subscription, accept and appropriate the proceeds of the issue;

I. MATERIAL NON LISTED INDIAN SUBSIDIARY COMPANIES

Clause 49 defines a "material non-listed Indian subsidiary" as an unlisted subsidiary, incorporated in India, whose turnover or net worth (i.e. paid up capital and free reserves) exceeds 20% of the consolidated turnover or net worth respectively, of the listed holding company and its subsidiaries in the immediately preceding accounting year.

Moser Baer Solar Limited is the material non-listed Indian subsidiary of the Company. The Company has complied with the requirement of appointing of one of its independent directors Mr. Bernhard Hermann Gallus, on the Board of the above mentioned material non-listed Indian subsidiary. Minutes of the Board Meetings of the unlisted subsidiary companies are placed periodically before the Board of the Company. The Management also periodically reviews the statement of all significant transactions and arrangements entered into by the unlisted subsidiary companies.

4. SECRETARIAL AUDIT

As stipulated by SEBI, secretarial audit carried out on a quarterly basis to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital.

5. COMPLIANCE WITH SEBI (PROHIBITION OF INSIDER TRADING) REGULATIONS, 2002

In pursuance of these regulations, the Company has formulated Standing Instructions for the Employees and Directors for dealing in Shares of the Company and these Standing Instructions were implemented with effect from 9th September, 2002 and duly amended from time to time. Various forms have been designed to receive periodical information from the employees and the Directors of the Company, as required in terms of these regulations. Further, the Trading Window for dealing in shares of the Company has been closed for the Directors and employees of the Company as per the following details: -

Dates of closure of trading window	Purpose of closure	Date of Board Meeting for considering the reserved matter
Wednesday, May 15, 2013 to Friday, May 31, 2013	Consideration of un-audited financial results for the quarter ended March 31, 2013 and audited financial results for the year ended on March 31, 2013.	Thursday, May 30, 2013
Thursday, July 25, 2013 to Friday, August 09, 2013	Consideration of the unaudited financial results for the quarter ended on June 30, 2013.	Thursday, August 08, 2013
Tuesday, October 29, 2013 to Thursday, November 14, 2013	Consideration of the Unaudited financial result for the quarter ended on September 30, 2013.	Wednesday, November 13, 2013

6. PARTICULARS OF ANNUAL GENERAL MEETINGS AND EXTRAORDINARY GENERAL MEETINGS HELD DURING THE LAST THREE YEARS

General Meeting	Date	Time	Venue
Annual General Meeting	September 29, 2011	9.30 A.M.	NCUI Convention Centre 3, Khel Gaon Marg, New Delhi - 110016
Annual General Meeting	December 14, 2012	9.30 A.M.	NCUI Convention Centre 3, Khel Gaon Marg, New Delhi - 110016
Annual General Meeting	September 30, 2013	9.30 A.M.	FICCI Golden Jubilee Auditorium, Federation House, Tansen Marg, New Delhi- 110001

Details of Special Resolution Passed in previous three Annual General Meetings:

Date of AGM	Special Resolutions
September 29, 2011	a) To consider the matter relating to re-appointment of Mr. Deepak Puri as the Managing Director of the company for the period of 5 years. b) To consider the matter relating to re-appointment of Mrs. Nita Puri as the Whole time Director of the company for the period of 5 years. c) To consider the matter relating to re-appointment of Mr. Ratul Puri as the Executive Director of the company for the period of 5 years. d) To consider the matter relating to the reclassification and increase in authorized share capital of the company. e) To consider the matter relating to the Alteration in Memorandum and Articles of Association of the Company. f) To consider the matter relating to issuance of financial instruments (including FCCB's) convertible into or linked to equity shares. g) To consider the matter relating to entering into a Consulting Agreement with HARCOURT, a company incorporated under the laws of France, and represented by its Managing Partner, Mr. Frank E. Dangeard, and Director of the Company.
December 14, 2012	a) To consider the matter relating to entering into a Consulting Agreement with HARCOURT, a company incorporated under the laws of France, and represented by its Managing Partner, Mr. Frank E. Dangeard, Director of the Company.
September 30, 2013	a) To consider the matter relating to entering into a Consulting Agreement with HARCOURT, a company incorporated under the laws of France, and represented by its Managing Partner, Mr. Frank E. Dangeard, Director of the Company.

Postal Ballots

In accordance with Section 192A and other applicable provisions of the Companies Act, 1956 and the Companies (Passing of Resolution through Postal Ballot) Rules, 2011, Special Resolutions were passed through Postal Ballots on May 20, 2013. The details are as given below:

Special Resolutions passed through Postal Ballot on May 20, 2013

1. To approve, ratify and confirm the corporate debt restructuring scheme in relation to the Company's debt.
2. Issue of Equity Shares on Preferential Basis to the Promoters.

(a) Scrutinizer

The Board appointed Mr. D P Gupta, a Practicing Company Secretary, as the Scrutinizer for conducting the postal ballot process in a fair and transparent manner. Mr. D P Gupta conducted the process and submitted his report to the Chairman.

(b) Procedure followed

i. The postal ballot notice and other related documents were dispatched to the Members through post or/and e-mail.

ii. A calendar of events along with Board Resolution was submitted with the Registrar of Companies, NCT of Delhi.

iii. The result of the postal ballot was announced by the Company Secretary, at the registered office of the Company and was posted on the website of the Company.

7. DISCLOSURES

a) The Company has no material significant transaction with its related parties that may have a potential conflict with the interest of the Company. The details of transactions between the Company and the related parties are given for information under note 40 of the Balance Sheet as at December 31, 2013. Only consultancy services from Harcourt, an entity where Mr. Frank E Dangeard, a non executive independent director is interested, has been taken amounting to Euro 20,000 during the period. However, Mr. Frank E. Dangeared resigned from the Company w.e.f. April 01, 2014.

b) Disclosure of accounting treatment, if different, from that prescribed in accounting standards with explanation –Not applicable.

c) Details of non-compliance by the Company, penalties, strictures imposed by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets, during the last three years- NIL

d) Mr. Deepak Puri, Managing Director and Mrs. Nita Puri, Whole Time Director are related to each other. Mrs. Nita Puri, Whole Time Director is wife of Mr. Deepak Puri, Managing Director.

8. MEANS OF COMMUNICATION

a) The Company ensures that its quarterly and annual financial results are sent to the concerned Stock Exchanges immediately after the same have been considered and taken on record by the Board of Directors. The Company also ensures that its quarterly financial results are also published in any of the following newspapers:

(i) The Economic Times

(ii) Business Standard

(iii) The Times of India

(iv) The Financial Times

(v) The Financial Express

(vi) The Pioneer

(vii) Mumbai Mirror

(viii) Hindu Business Line

(ix) Hindustan Hindi

(x) Veer Arjun

(xi) Navbharat Times.

(xii) Jan Satta

The details of the publications of the financial results in the period under review are as under :	Publication Date
Audited financial results for the quarter and year ended on March 31, 2013	June 01, 2013
Unaudited financial results for the first quarter ended June 30, 2013	August 10, 2013
Unaudited financial results for the second quarter and half year ended on September 30, 2013	November 16, 2013
Unaudited financial results for the third quarter and year ended December 31, 2013	March 2, 2014

b) The Company also ensures that these results are promptly and prominently displayed on the Company's website:- www.moserbaer.in

c) The Company also complies with SEBI regulations regarding filing of its financial results.

d) The Company's official news releases are also displayed on the Company's web site.

e) Management Discussion and Analysis Report (MD & A) is a part of the Annual Report of the Company for the period ending on December 31, 2013.

9. CODE OF CONDUCT

As per Clause 49 of the listing agreement, the company has formulated a Code of Conduct each for the Directors and Senior Management and the same have been placed on the website of the Company. The declaration of the Managing Director regarding the compliance with the Codes of Conduct by Directors and the senior managerial personnel is given in the Annual Report.

10. GENERAL SHAREHOLDER INFORMATION

a) 31st ANNUAL GENERAL MEETING

Date : July 4th, 2014

Time : 09:30 A.M.

Venue : FICCI Golden Jubilee Auditorium, Federation House, Tansen Marg, New Delhi 110001

b) FINANCIAL CALENDAR : 2014-15

For the financial year 2014-15, results will be announced by:

First Quarter Results	May 14, 2014
Second Quarter and Half yearly Results	August 14, 2014
Third Quarter Results	November 13, 2014
Fourth Quarter and Annual Results	February 28, 2015

c) BOOK CLOSURE : 2nd July 2014 to 4th July, 2014

d) LISTING

The Equity Shares of the Company are listed at the following Stock Exchanges:

Sl. No.	Name & Address of the Stock Exchange	Stock Code
1	Mumbai Stock Exchange Limited Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai- 400 001	517140
2	National Stock Exchange of India Limited Exchange Plaza', Bandra – Kurla Complex, Bandra (East), Mumbai- 400 051	MOSERBAER
3	ISIN allotted by Depositories (Company ID Number)	INE739A01015

The Annual Listing Fees for the listed equity shares of the Company, pertaining to the year 2014-15 have been paid.

e) DETAILS OF SHAREHOLDING

Details of shareholding as on December 31, 2013

Top Ten Shareholder as on December 31, 2013 are as follows:-

S. No	Name of the Shareholder	No. of Shares	Percentage of Shares
1.	Mr. Deepak Puri	53,013,857	26.73
2.	Electra Partners Mauritius Ltd.	99,60,345	5.02
3.	Deepak Puri (Huf)	4,406,284	2.22
4.	Mario Oscar Francis Lobo	25,25,999	1.27
5.	Abhinav Bhargava	8,00,000	0.40
6.	Vandana Bhargava	8,00,000	0.40
7.	Sunflower Broking Private Limited	784959	0.40
8.	Reena Deepak Partani	7,00,000	0.35
9.	Bonanza Portfolio Ltd	538136	0.27
10.	Rust Exim Private Limited	5,00,000	0.25

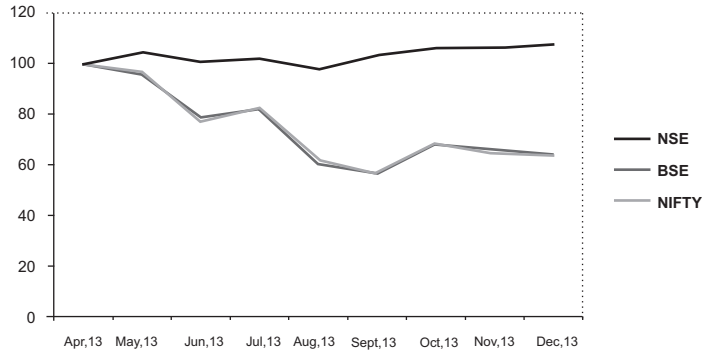
f) STOCK PRICE DATA

Stock Market Data at BSE and NSE for the period April 1, 2013 to December 31, 2013

Monthly high and low quotations of shares traded at The Stock Exchange, Mumbai (BSE) and National Stock Exchange Ltd. (NSE) are as follows: -

Months	NSE		BSE	
	Highest	Lowest	Highest	Lowest
April, 2013	5.40	4.40	5.39	4.47
May, 2013	5.20	4.15	5.15	4.08
June, 2013	4.20	3.50	4.25	3.50
July, 2013	4.45	3.05	4.42	3.00
August, 2013	3.35	2.30	3.25	2.34
September, 2013	3.05	2.60	3.05	2.60
October, 2013	3.70	2.65	3.68	2.66
November, 2013	3.50	2.80	3.57	2.83
December, 2013	3.45	2.90	3.45	2.84

g) STOCK PERFORMANCE IN COMPARISON TO NSE INDEX (S&P CNX NIFTY) AND SENSEX AT BSE :-



h) DISTRIBUTION OF SHAREHOLDING AS ON DECEMBER 31, 2013

No. of Equity Shares held	No. of shareholders	%age of shareholders	No. of shares	%age of shares
1-500	100187	77.4536	13854447	6.9864
501-1000	12842	9.9280	10665187	5.3781
1001-2000	7272	5.6219	11365871	5.7315
2001-3000	2774	2.1446	7219997	3.6408
3001-4000	1308	1.0112	4771237	2.4060
4001-5000	1266	0.9787	6070344	3.0611
5001 to 10000	2041	1.5779	15313885	7.7223
10001 to 50000	1408	1.0885	29604998	14.9289
50001 to 100000	166	0.1283	11971841	6.0371
100001 & above	87	0.0673	87468297	44.1077
Total	129351	100.00	19,83,06,104	100.00

i) REGISTRAR AND SHARE TRANSFER AGENTS

The share transfer requests received in physical form by the Company or the Company's Registrar and Transfer Agent are registered within a period of 15 days from the date of receipt. Requests for dematerialization received from the shareholders are effected within an average period of 7 days.

M/s. MCS Limited is the Registrar & Share Transfer Agent of the Company and its office is located at F- 65, Ist Floor, Okhla Industrial Area, Phase- I, New Delhi – 110 020. Contact Person is Mr. Anirudh Mitra. He can be contacted at the following numbers:-

Phone numbers: (011) 41406149/ 41406151/ 41406152/ 41709885/ 41609386

Fax number: (011) 41709881 E-mail: admin@mcsdel.com

j) SHARE TRANSFER SYSTEM

The application for transfer, transmission and transposition of shares are received by the Company at its registered office or at the office of Registrars and Share Transfer Agent- M/s. MCS Limited.

Following is the procedure of transfer of physical share certificates:-

i) Entry of share certificate details and particulars of the transferee in the computer on receipt thereof in the office.

ii) Scrutiny of transfer deeds.

iii) Tallying of transferor's signature with the specimen signature available with the Registrar and Share Transfer Agent.

iv) Data entry of transfer deeds.

v) Preparation of objection memos and notices in respect of un-transferred shares.

vi) Generation of checklist for valid transfer deeds.

vii) Correction of data in the computer system on the basis of changes marked in the checklist.

viii) Recording of transfer of shares in the computer system.

ix) Endorsement and signatures on the reverse side of the share certificates.

x) Generation of covering letters for the transferred share certificates and dispatch of transferred share certificates, objection memos and notices by registered post.

Following is the procedure for dematerialization of shares –

i) Entry of the share certificates and the dematerialization request form in the computer.

ii) Scrutiny of the share certificates and the dematerialization request form in the computer.

iii) Tallying of signature of the shareholder on the dematerialization request form with the specimen signature available with the Registrar and Share Transfer Agent.

iv) Data entry of dematerialization request forms.

v) Generation of checklist.

vi) Change of shares from physical to dematerialized mode.

vii) Send confirmation to NSDL and CDS (I) L.

k) DEMATERIALISATION OF SHARES AND LIQUIDITY

The Equity Shares of the Company are actively traded at major Stock Exchanges in dematerialized mode. As on December 31, 2013 99.52% of the shares were held in dematerialized mode by 94.81% of the total shareholders of the Company.

l) Public issue, right issue, preferential issue and GDR/ADR etc.:

Pursuant to Corporate Debt Restructuring Scheme, the Company allotted 3,00,00,000 (Three Crores) Equity Shares of ₹ 10/- each on preferential basis to Mr. Deeepak Puri during the year under review and 1,00,00,000 equity shares were alloted on 28th February, 2014.

The Company has not issued any Global Depository Receipt / American Depository Receipt / Warrant or any convertible instrument, which is likely to have an impact on the Company's equity.

m) LOCATION OF PLANTS

i) 66, NSEZ, Noida, District- Gautam Budh Nagar U.P.

ii) A-164, Sector 80 Noida- II, Distt. Gautam Budh Nagar U.P.

iii) 66, Udyog Vihar Industrial Area, Greater Noida, U.P.

n) CONVERTIBLE SECURITIES

As on December 31, 2013, no convertible securities including Global Depositary Receipts were outstanding for conversion into an equal number of Equity Shares.

o) ADDRESS FOR INVESTOR CORRESPONDENCE

(i)	Registrar and Share Transfer Agent *(All correspondence regarding transfer and dematerialization of share certificates)*	MCS Limited F-65, Ist Floor, Okhla Industrial Area, Phase- I, New Delhi – 110 020 Phone No.: 011-41406149/ 41406151/ 41406152/41709885/ Fax No.: 011-4170988 E-mail: admin@mcsdel.com
(ii)	Company(For any other information)	Company Secretary Moser Baer India Limited 43-B, Okhla Industrial Estate, New Delhi 110020 Phone No.: 011-40594444 Fax No.: 011-41635211/26911860 E-mail: shares@moserbaer.in

11. OTHER INFORMATION

a. In terms of the provisions of Section 205C of the Companies Act, 1956, unclaimed equity dividend for the year 1995-96, 1996-97, 1997-98 , 1998-99, 1999-2000, 2000-2001, 2001-02, 2002-03, 2003-04 , 2004-05 and 2005-06 has been transferred to the Investor Education and Protection Fund.

b. The Company shall transfer the amount remaining unpaid in its dividend account for the year 2006-07 to the Investor Education and Protection Fund on/before 20th September, 2014.

c. A brief resume as required under this clause of the Directors seeking reappointment has been provided in the Notice calling the Annual General Meeting

11. ADOPTION OF NEW CORPORATE GOVERNANCE CLAUSE

Compliance with mandatory and non-mandatory list of items:-

Your Company ensures that it complies with all the mandatory list of items mentioned in the corporate governance clause. It will endeavor, in future, to comply with the following non-mandatory list of items provided in the corporate governance clause; wherever applicable

1. The Chairman of the Board

   The Chairman of the Company is an Executive Director thus, the entitlement to maintain Chairman's office at the Company's expense and further reimbursement of expenses incurred in performance of his duties is not applicable to the Company.

2. Nomination and Remuneration Committee

   The Board has constituted a Nomination and Remuneration Committee of the Company comprising Independent Directors for determining remuneration packages (including any other compensation) for Executive Directors.

3. Shareholders Rights

   The Company publishes its quarterly results in the leading newspapers and regularly uploads the results and the financial statements and key events on its website. However, the Company does not send the declaration of the half yearly financial performance or a summary of significant events to each shareholder of the Company.

4. Postal Ballot

   The company believes that the shareholders, who are unable to attend the meetings, do also vote on matters required the approval of the shareholders of the Company. As elaborately mentioned above, certain matters reserved for postal ballot as per listing agreement are passed through vote by postal ballot. During the period under review, resolutions were passed through Postal Ballot as per details given in this section.

5. Audit Qualifications

   The report of Statutory Auditors' of the Company is attached to the financial statements of the Company. The Company has always strived and achieved the regime of unqualified Auditors Report.

6. Training of Board Members

   The Company endeavors to organize training programme for its Board members.

7. Mechanism for evaluating Non-Executive Board members.

   The performance evaluation of Non-Executive Directors will be done in the due course of time.

8. Whistle Blower Policy:

   The Company has a code of conduct for its Directors and senior managerial personnel which allow them to report any matter relating to unethical conduct or conflict of interest to their immediate supervisor. Further, the Company also has a formal Whistle Blower Policy to report to management instances of any unethical behavior, moral turpitude, financial misappropriation, Actual/suspected/anticipated fraud or violation of Company's Code of Conduct.

COMPLIANCE WITH THE CODE OF ETHICS

Good corporate governance ultimately requires people of integrity. A code of conduct is an effective way to guide the behavior of directors and Senior Management Personnel to demonstrate the commitment of the company to ethical practices. The Code has been circulated to all the members of the Board and Senior Management and the compliance of the same has been affirmed by them. A declaration signed by the Managing Director to this effect is given below:

CERTIFICATE FOR COMPLIANCE WITH THE CODE OF ETHICS

This is certify that, to the best of my knowledge and belief, for the financial year ended on December 31, 2013, all the Board members and Senior Management Personnel have affirmed compliance with the code of ethics for Directors and Senior Management respectively.

Date: 14th May, 2014
Place: New Delhi

Deepak Puri
Chairman and Managing Director

MANAGING DIRECTOR AND GROUP CHIEF FINANCIAL OFFICER CERTIFICATION

We, Deepak Puri, managing Director and Yogesh Mathur, Group CFO of Moser Baer India Limited certify to the Board that:

(a) We have reviewed financial statements and the cash flow statement for the financial period ended on December 31, 2013 and that to the best of their knowledge and belief:

(i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

(b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the financial period which are fraudulent, illegal or violative of the company's code of conduct.

(c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that We have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and We have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

(d) We have indicated to the auditors and the Audit committee

(i) Significant changes in internal control over financial reporting during the period;

During the Financial period ended on December 31, 2013. There were no significant changes in internal control over financial reporting.

(ii) Significant changes in accounting policies during the period and that the same have been disclosed in the notes to the financial statements;

During the financial period ended on December 31, 2013, there were no significant changes in accounting policies.

(iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

During the financial period ended on December 31, 2013, there were no instances of the above nature.

Date: 28th February, 2014
Place: New Delhi

Deepak Puri
Chairman &
Managing Director

Yogesh Mathur
Group CFO

Auditor's certificate on compliance with the conditions of corporate governance under clause 49 of the listing agreement

To the Members of Moser Baer India Limited

We have examined the compliance of conditions of corporate governance by Moser Baer India Limited ("the Company") for the nine months period from 1 April 2013 to 31 December 2013, as stipulated in clause 49 of the listing agreement of the Company with the stock exchange.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company, for ensuring the compliance of the conditions of corporate governance as stipulated in said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and as per representations made by directors and the management, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned listing agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Walker, Chandiok & Co LLP (Formerly walker chandiok & Co.)
Chartered Accountants
Firm Registration No: 001076N

per Neeraj Goel
Partner
Membership No. 099514

Place: New Delhi
Date : 14 May 2014

Independent Auditors' Report

To the Members of Moser Baer India Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Moser Baer India Limited, ("the Company"), which comprise the Balance Sheet as at 31 December 2013, and the Statement of Profit and Loss and Cash Flow Statement for the nine months period from 1 April 2013 to 31 December 2013, then ended ("the period"), and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial statements, that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

    i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 December 2013;

    ii) in the case of Statement of Profit and Loss, of the loss for the period, from 1 April 2013 to 31 December 2013,; and

    iii) in the case of the Cash Flow Statement, of the cash flows for the period, from 1 April 2013 to 31 December 2013.

Emphasis of Matter

7. We draw attention to note 44(d) and 45 to the financial statements which describes the ongoing re-structuring discussion with FCCB holders, the related accounting and the fact that the Company has incurred a net loss of Rs. 4,466,627,030 during the period 1 April 2013 to 31 December 2013, and as of 31 December 2013 the Company's accumulated losses aggregate to Rs. 3,436,395,366 resulting in a complete erosion of the net worth of the Company. Further as on that date, the Company's current liabilities exceed its current assets by Rs. 9,671,083,236. These conditions, along with matters set forth in note 44(d) and 45, indicate the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

8. We draw attention to note 49 to the financial statements with respect to management's assessment of permanent diminution in the value of investments and recoverability of advances and other receivables from three subsidiaries namely Helios Photo Voltaic Limited (HPVL) (formerly known as Moser Baer Photovoltaic Limited), Moser Baer Solar Limited (MBSL) and Moser Baer Entertainment Limited (MBEL) aggregating to Rs. 1,582,762,004, Rs. 6,141,411,910 and Rs. 3,271,631,829 respectively. The conclusion of diminution in the value of investments and recoverability of advances and other receivables are dependent on successful implementation of business plans and new technologies, external market conditions, regulatory benefits and full implementation of debt restructuring in the terms as proposed by the HVPL and MBSL, which are materially uncertain. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

9. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

10. As required by Section 227(3) of the Act, we report that:

    a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

    b. in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

    c. the financial statements dealt with by this report are in agreement with the books of account;

    d. in our opinion, the financial statements comply with the Accounting Standards notified under the Companies Act, 1956 read with the General Circular 15/2013 dated 13 September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013; and

    e. on the basis of written representations received from the directors, as on 31 December 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 December 2013 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Act.

For **Walker, Chandiok & Co**
Chartered Accountants
Firm Registration No.: 001076N

per **Ashish Gupta**
Partner
Membership No.: 504662

Place: New Delhi
Date: 28 February 2014

Annexure to the Independent Auditors' Report of even date to the members of Moser Baer India Limited, on the financial statements for the nine months from 1 April 2013 to 31 December 2013 ("the period")

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular program of physical verification of its fixed assets under which fixed assets are verified in a phased manner over a period of three financial years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) In our opinion, a substantial part of fixed assets has not been disposed off during the period.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the period.

(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) The Company is maintaining proper records of inventory and no material discrepancies between physical inventory and book records were noticed on physical verification.

(iii) (a) The Company has granted unsecured loans to three parties covered in the register maintained under Section 301 of the Act. The maximum amount outstanding during the period is Rs. 1,503,630,160 and the period-end balance is Rs. 895,849,270.

(b) In our opinion, the rate of interest and other terms and conditions of such loans are not, *prima facie*, prejudicial to the interest of the Company.

(c) In respect of loan granted to one party, the principal amount is not due for repayment currently however, *receipt of interest is not regular*. In respect of loans granted to other parties, the principal and interest amounts are repayable on demand and since the repayment of such loans and interest has not been demanded, in our opinion, receipt of the principal and interest amount is regular.

(d) There is no overdue amount in respect of loans granted to such companies, firms or other parties, except for overdue interest for which reasonable steps have been taken by the Company.

(e) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Act. Accordingly, the provisions of clauses 4(iii)(f) and 4(iii)(g) of the Order are not applicable.

(iv) In our opinion, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control system in respect of these areas.

(v) (a) In our opinion, the particulars of all contracts or arrangements that need to be entered into the register maintained under Section 301 of the Act have been so entered.

(b) In our opinion, the transactions made in pursuance of such contracts or arrangements and exceeding the value of Rupees five lakhs in respect of any party during the period have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

(vi) The Company has not accepted any deposits from the public within the meaning of Sections 58A and 58AA of the Act and the Companies (Acceptance of Deposits) Rules, 1975. Accordingly, the provisions of clause 4(vi) of the Order are not applicable.

(vii) In our opinion, the Company has an internal audit system commensurate with its size and the nature of its business.

(viii) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Act in respect of Company's products and are of the opinion that, *prima facie*, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues, as applicable, have generally been regularly deposited with the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the period-end for a period of more than six months from the date they became payable.

Annexure to the Independent Auditors' Report of even date to the members of Moser Baer India Limited, on the financial statements for the nine months from 1 April 2013 to 31 December 2013 ("the period")

(b) The dues outstanding in respect of income-tax, sales-tax, wealth tax, service tax, custom duty, excise duty, cess on account of any dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs.)	Amount Paid under protest (Rs.)	Period to which the amount relates	Forum where dispute is pending
Custom Duty Act, 1962	Customs duty	13,924,896	-	FY 2007-08	CESTAT, Chennai
	Custom duty	9,749,862	-	FY 2008-09	High Court of Allahabad
	Custom duty	4,823,292	4,823,292	FY 2009-10 to 2011-12	CESTAT, New Delhi
Excise Duty Act, 1948	Excise duty	423,833,155	950,837	FY2006-07 to 2011-12	CESTAT, New Delhi
	Excise duty	976,028	31,690	FY 2011-12 to 2013-14	Assistant Commissioner Custom and Central Excise, Noida
	Excise duty	581,535,930	-	FY 2007-08 to FY 2012-13	Commissioner Custom and Central Excise, Noida
	Excise duty	9,068,008	-	FY 2006-07 FY 2011-12 FY 2013-13	Additional Commissioner Custom and Central Excise, Noida
Finance Act, 1994	Service tax	288,254,463	2,953,470	FY 2003-04 to 2004-05, FY 2006-07 to 2012-13	Commissioner Custom and Central Excise, Noida
	Service tax	5,440,788	-	FY 1999-00	Deputy Commissioner Customs and Central Excise, Noida
	Service tax	3,920,092	-	FY 2000-01 to 2001-02	High Court, Allahabad
	Service tax	63,316,764	-	FY 2005-06	CESTAT, New Delhi
	Service tax	10,332,940	-	FY 2008-09 to 2010-11	Additional Commissioner Custom and Central Excise, Noida
	Service tax	315,983,368	-	FY 2008-09 to 2011-12	Commissioner Customs and Central Excise, Delhi
	Service tax	8,679,779	-	FY 2012-13	Commissioner Service Tax, Delhi.
Entry Tax Act	Entry tax	120,161,327	7,050,841	FY 1999-00 to 2001-02	Supreme Court of India
	Entry tax	2,930,424	1,465,308	FY 2003-04 to 2007-08	High Court, Allahabad
	Entry tax	4,241,834	1,838,272	FY 2004-05 FY 2005-06 FY 2008-09	Commercial Tax Tribunal, Noida
	Entry tax	6,185,487	1,546,372	FY 2007-08	Additional Commissioner, (Appeals).
	Entry Tax	276,135	27,650	FY 2007-08	Deputy Commissioner, Raipur (Appeals)

Annexure to the Independent Auditors' Report of even date to the members of Moser Baer India Limited, on the financial statements for the nine months from 1 April 2013 to 31 December 2013 ("the period")

Name of the statute	Nature of dues	Amount (Rs.)	Amount Paid under protest (Rs.)	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956	Sales tax	14,241,807	4,208,830	FY 2004-05 and 2006-07	Commercial Tax Tribunal, Noida
	Sales tax	9,711,774	3,860,012	FY 2007-08 to 2008-09	Additional Commissioner, (Appeals)
U.P. Trade Tax Act, 1948	Value added tax	5,151,738	3,094,774	FY 2006-07 to 2007-08	Commercial Tax Tribunal, Noida
	Value added tax	34,799,230	-	FY 2000-01 to 2005-06	Deputy Commissioner Khand 6, Noida
U.P. Value Added Tax Act, 2008	Value added tax	22,738,383	5,420,335	FY 2007-08 to 2008-09	Additional Commissioner, (Appeals)
	Value added tax	67,053,409	650,581	FY 2008-09	Commercial Tax Tribunal, Noida
Kerala VAT Act, 2005	Value added tax	4,689,127	1,216,662	FY 2007-08	Commercial Tax Assistant Commissioner, Ernakulam
Chhattisgarh VAT Act, 2005	Value added tax	32,697	3,300	FY 2007-08	Deputy Commissioner Raipur (Appeals)
Kerala VAT Act, 2005	Value added tax	516,998	-	FY 2008-09	Deputy Commissioner (Appeals)
West Bengal VAT Act 2003	Value added tax	1,038,907	-	FY 2009-10	Joint Commissioner, West Bengal
Income Tax Act, 1961	Income tax	115,689,581	34,500,000	AY 2004-05 to 2007-08	Income Tax Appellate Tribunal

Notes:

(i) FY - Financial year

(ii) AY – Assessment year

(x) *In our opinion, the Company's accumulated losses at the end of the period are more than fifty percent of its net worth. The Company has incurred cash losses in the current period and the immediately preceding financial year.*

(xi) There are no dues payable to debenture-holders. *The Company has defaulted in repayment of dues to banks and a financial institution as summarised below:*

Particulars	Amount (Rs.)	Due date	Delay in days
Banks	2,717,758	31 May 2013	214
	3,175,432	30 June 2013	184
	3,303,618	31 July 2013	153
	5,304,084	31August 2013	122
	48,551,632	30 September 2013	92
	58,253,141	31 October 2013	61
	72,820,010	30 November 2013	31

Annexure to the Independent Auditors' Report of even date to the members of Moser Baer India Limited, on the financial statements for the nine months from 1 April 2013 to 31 December 2013 ("the period")

Particulars	Amount (Rs.)	Due date	Delay in days
Financial institution	185,491	31 March 2013	275
	1,258,371	30 April 2013	245
	1,560,150	31 May 2013	214
	2,843,718	30 June 2013	184
	4,625,358	31 July 2013	153
	4,625,358	31 August 2013	122
	8,062,510	30 September 2013	92
	4,742,574	31 October 2013	61
	4,637,295	30 November 13	31

(xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly, the provisions of clause 4(xii) of the Order are not applicable.

(xiii) In our opinion, the Company is not a chit fund or a nidhi/ mutual benefit fund/ society. Accordingly, provisions of clause 4(xiii) of the Order are not applicable.

(xiv) In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable.

(xv) The Company has given a guarantee in respect of loans taken by subsidiaries from banks, in respect of which no commission is charged from the subsidiaries. In our opinion, having regard to the long term involvement with the subsidiary companies and considering the explanations given to us in this regard, the terms and conditions of the above are not, prima facie, prejudicial to the interests of the Company.

(xvi) In our opinion, the Company has applied the term loans for the purpose for which these loans were obtained.

(xvii) In our opinion, no funds raised on short-term basis have been used for long-term investment by the Company.

(xviii) As per the terms of Master Restructuring Agreement, during the period, the Company has made preferential allotment of shares to parties covered in the register maintained under Section 301 of the Act. In our opinion, the price at which shares have been issued is not, *prima facie*, prejudicial to the interest of the Company.

(xix) The Company has neither issued nor had any outstanding debentures during the period.

(xx) The Company has not raised any money by public issues during the period. Accordingly, the provisions of clause 4(xx) of the Order are not applicable.

(xxi) No fraud on or by the Company has been noticed or reported during the period covered by our audit.

For **Walker, Chandiok & Co**

Chartered Accountants
Firm Registration No.: 001076N

per **Ashish Gupta**
Partner
Membership No.: 504662

Place: New Delhi
Date: 28 February 2014

MOSER BAER INDIA LIMITED

Balance sheet as at 31 December 2013

(All amounts in rupees, unless otherwise stated)

	Notes	As at 31 December 2013	As at 31 March 2013
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	4	1,983,061,040	1,683,061,040
Reserves and surplus	5	(3,436,395,366)	1,807,092,703
		(1,453,334,326)	**3,490,153,743**
Share application money pending allotment	6	**63,000,000**	**200,000,000**
Non current liabilities			
Long term borrowings	7	9,720,286,387	10,882,614,589
Other long term liabilities	8	1,808,815,939	1,802,058,180
Long term provisions	9	233,649,333	226,321,781
		11,762,751,659	**12,910,994,550**
Current liabilities			
Short term borrowings	10	6,810,427,520	6,670,347,004
Trade payables	11	3,084,054,403	3,109,758,445
Other current liabilities	12	10,798,026,375	8,810,542,012
Short term provisions	13	1,622,862,658	1,074,004,211
		22,315,370,956	**19,664,651,672**
		32,687,788,289	**36,265,799,965**
ASSETS			
Non current assets			
Fixed assets			
(a) Tangible assets	14	8,018,569,204	9,523,971,967
(b) Intangible assets	14	150,843,517	177,105,914
(c) Capital work-in-progress		-	3,849,997
Non current investments	15	6,728,885,732	6,840,395,732
Long term loans and advances	16	1,111,928,529	1,546,954,710
Other non current assets	17	4,033,273,587	2,793,188,863
		20,043,500,569	**20,885,467,183**
Current assets			
Inventories	18	5,012,109,948	5,277,353,317
Trade receivables	19	4,964,832,222	6,175,884,759
Cash and bank balances	20	715,471,540	1,309,013,830
Short term loans and advances	21	630,453,400	601,313,312
Other current assets	22	1,321,420,610	2,016,767,564
Total current assets		**12,644,287,720**	**15,380,332,782**
		32,687,788,289	**36,265,799,965**

The accompanying notes from 1 to 51 are an integral part of these financial statements.

This is the balance sheet referred to in our report of even date.

For **Walker, Chandiok & Co**
Chartered Accountants

per **Ashish Gupta**
Partner

Place: New Delhi
Date: 28 February 2014

For and on behalf of the board of directors of
MOSER BAER INDIA LIMITED

Deepak Puri
Chairman and
Managing Director

Nita Puri
Director

Yogesh Mathur
Group CFO

Minni Katariya
Head Legal and
Company Secretary

MOSER BAER INDIA LIMITED

Statement of profit and loss for the nine months period ended 31 December 2013

(All amounts in rupees, unless otherwise stated)

	Notes	Period ended 31 December 2013	Year ended 31 March 2013
REVENUE			
Revenue from operations (gross)	23	9,842,351,602	15,220,138,628
Less: Excise duty		398,830,877	557,037,410
Revenue from operations (net)		**9,443,520,725**	**14,663,101,218**
Other income	24	614,461,365	799,852,187
Total revenue		**10,057,982,090**	**15,462,953,405**
EXPENSES			
Cost of materials consumed	25	5,018,362,166	7,307,567,563
Purchases of stock in trade	26	13,688,348	91,578,115
Change in stock of finished goods, stock in trade and work-in-progress	27	2,939,911	100,983,754
Employee benefits expense	28	1,136,344,408	1,801,567,844
Depreciation and amortisation	29	1,542,746,510	2,902,323,680
Amortisation of foreign currency monetary item translation difference account		-	515,366,123
Finance cost	30	1,575,222,422	1,966,742,273
Other expenses	31	3,180,582,102	5,386,949,315
Total expenses		**12,469,885,867**	**20,073,078,667**
Loss before exceptional items and tax		**(2,411,903,777)**	**(4,610,125,262)**
Exceptional items	32	(2,054,723,253)	18,461,592
Loss before tax		**(4,466,627,030)**	**(4,591,663,670)**
Tax expense		-	-
Loss for the period/ year		**(4,466,627,030)**	**(4,591,663,670)**
Loss per equity share (refer note 41):			
- Basic		(24.07)	(27.28)
- Diluted		(24.07)	(27.28)

The accompanying notes from 1 to 51 are an integral part of these financial statements.

This is the statement of profit and loss referred to in our report of even date.

For **Walker, Chandiok & Co**
Chartered Accountants

per **Ashish Gupta**
Partner

Place: New Delhi
Date: 28 February 2014

For and on behalf of the board of directors of
MOSER BAER INDIA LIMITED

Deepak Puri
Chairman and
Managing Director

Nita Puri
Director

Yogesh Mathur
Group CFO

Minni Katariya
Head Legal and
Company Secretary

MOSER BAER INDIA LIMITED

Cash flow statement for the nine months period ended 31 December 2013

(All amounts in rupees, unless otherwise stated)

		Period ended 31 December 2013	Year ended 31 March 2013
Cash flow from operating activities:			
Net loss before income tax		**(4,466,627,030)**	**(4,591,663,670)**
Adjustments to reconcile net loss to net cash provided by/ (used in) operating activities:			
Depreciation and amortisation		1,542,746,510	2,902,323,680
Amortisation of foreign currency monetary item translation difference account		-	515,366,123
Unrealised foreign exchange gain		335,033,160	(193,717,980)
Old liabilities and provisions no longer required written back		(42,704,706)	(25,784,675)
Debtors/ advances written off		1,271,160,283	60,131
Reversal of interest expense for previous year under corporate debt restructuring scheme		-	(187,313,968)
Provision for warranty		830,766	1,448,781
Provision for doubtful debtors/ advances		36,167,900	-
Provision for slow moving stock		5,762,367	-
Provision for diminution in long term investments		111,510,000	168,852,376
(Profit)/ loss on sale of fixed assets		(164)	(8,790,243)
Finance cost		1,575,222,422	1,966,742,273
Interest income		(173,093,680)	(225,283,251)
Operating profit before working capital changes		**196,007,828**	**322,239,577**
Changes in working capital			
Decrease in inventories		259,481,002	316,582,225
Decrease in trade receivables		1,203,623,996	1,191,794,876
Increase in loans and advances and other assets		(1,355,353,117)	(1,466,469,929)
(Decrease)/ increase in trade payables		11,272,785	52,575,611
Cash generated from operating activities		**315,032,494**	**416,722,360**
Income tax (paid)/ refund (net of tax deducted at source)		(1,869,939)	33,146,592
Net cash generated from operating activities	A	**313,162,555**	**449,868,952**
Cash flow from investing activities:			
Purchase of fixed assets/additions to capital work-in-progress		(533,954)	(131,077,854)
Refund of capital advance		21,971,451	-
Proceeds from sale of fixed assets		401,228	24,207,367
Advances given to subsidiaries		-	(70,784,460)
Net proceeds/ (additions) from fixed bank deposits		87,686,532	(125,191,575)
Interest received		42,455,369	62,924,413
Net cash generated from/ (used in) investing activities	B	**151,980,626**	**(239,922,109)**

MOSER BAER INDIA LIMITED

Cash flow statement for the nine months period ended 31 December 2013

(All amounts in rupees, unless otherwise stated)

		Period ended 31 December 2013	Year ended 31 March 2013
Cash flow from financing activities:			
Proceeds from long term borrowings		-	5,088,070,024
Repayment of long term borrowings		(88,742,380)	(1,225,206,328)
Net proceeds from short term borrowings		142,743,089	(2,031,189,677)
Finance costs paid		(1,086,931,579)	(1,890,853,617)
Dividend paid for earlier years		(362,050)	(377,008)
Proceeds from issuing shares/ receipt of share application money		163,000,000	200,000,000
Net cash (used in)/ generated from financing activities	C	**(870,292,920)**	**140,443,394**
Net (decrease)/ increase in cash and cash equivalents	A + B + C	**(405,149,739)**	**350,390,237**
Cash and cash equivalents at the beginning of the period/year		597,053,496	246,663,259
Cash and cash equivalents at the end of the period/year		191,903,757	597,053,496
		(405,149,739)	**350,390,237**

The accompanying notes from 1 to 51 are an integral part of these financial statements.

This is the cash flow statement referred to in our report of even date.

For **Walker, Chandiok & Co**
Chartered Accountants

per **Ashish Gupta**
Partner

Place: New Delhi
Date: 28 February 2014

For and on behalf of the board of directors of
MOSER BAER INDIA LIMITED

Deepak Puri
Chairman and
Managing Director

Nita Puri
Director

Yogesh Mathur
Group CFO

Minni Katariya
Head Legal and
Company Secretary

1 Basis of accounting

The financial statements are prepared under historical cost convention on an accrual basis, in accordance with the generally accepted accounting principles in India and to comply with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government in exercise of the power conferred under sub-section (I) (a) of section 642 and the relevant provisions of the Companies Act, 1956 (the 'Act') read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. All assets and liabilities have been classified as current or non-current, wherever applicable as per the operating cycle of the Company as per the guidance as set out in the Revised Schedule VI to the Companies Act, 1956.

2 Use of estimates

The preparation of financial statements in conformity with the principles generally accepted in India requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Example of such estimates include provisions for doubtful debts/ advances, employee retirement benefit plans, warranty, provision for income taxes, useful life of fixed assets, diminution in value of investments, other probable obligations and inventory write down. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

3 Significant accounting policies

(a) Revenue recognition

(i) Revenue from sale of goods

Revenue from sale of goods is recognised upon transfer of significant risks and rewards incident to ownership and when no significant uncertainty exists regarding realisation of the sale consideration. Sales are recorded net of sales returns, rebates, trade discounts and price differences and are inclusive of excise duty.

(ii) Revenue from sale of services

Service income comprises of revenue from assets given on lease and other services rendered.

(a) Revenue from assets given on lease is recorded in accordance with the accounting policy given below on 'Leases' .

(b) Income from other services is recognised as and when services are rendered.

(iii) Other income

Interest is accounted for based on a time proportion basis taking into account the amount invested and the underlying rate of interest. when no significant uncertainty exists regarding realisation of the sale consideration.

Dividend is recognised as and when the right of the Company to receive payment is established.

Export benefit entitlements under the Focused Product Scheme are recognised in the statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of the exports made.

(b) Fixed assets

(i) Tangible assets

Tangible fixed assets are stated at cost less accumulated depreciation. Cost includes all expenses, direct and indirect, specifically attributable to its acquisition and bringing it to its working condition for its intended use.

Incidental expenditure pending allocation and attributable to the acquisition of fixed assets is allocated/ capitalised with the related fixed assets.

Capital expenditure incurred on rented properties is recorded as leasehold improvements under fixed assets to the extent such expenditure is of a permanent nature. Expenditure on assets which are of removable nature are recorded in the respective category of assets.

(ii) Intangible assets

Intangible assets are stated at cost less accumulated amortisation. The cost incurred to acquire techical know-how with "right to use and exploit" are capitalised where the right allows the Company to obtain a future economic benefit from use of such know-how.

Further, expenditure incurred on know-how yielding future economic benefits is recognised as internally generated intangible asset at cost less accumulated amortisation and impairment losses, if any.

Impairment, if any, in the carrying value of fixed assets is assessed at the end of each financial year in accordance with the accounting policy given below on "Impairment of assets".

Fixed assets held for sale are recorded at lower of book value or estimated net realisable value.

(c) Depreciation and amortisation

(i) Tangible assets

Depreciation on tangible fixed assets is provided under straight-line method at rates specified in Schedule XIV to the Companies Act, 1956, being representative of the useful lives of tangible fixed assets.Leasehold improvements are being amortised over the primary lease period or useful lives of related fixed assets whichever is shorter.

Depreciation on additions is being provided on pro-rata basis from the date of such additions. Similarly, depreciation on assets sold/ disposed off during the period is being provided up to the date on which such assets are sold/ disposed off. All assets costing Rs. 5,000 or less are fully depreciated in the year of purchase.

In case the historical cost of an asset undergoes a change due to an increase or decrease in related long term liability on account of foreign exchange fluctuations on such long term liabilities, the depreciation on the revised unamortised depreciable amount is provided prospectively over the residual useful life of the asset.

(ii) Intangible assets

Intangible assets are being amortised on a straight line basis over the useful life, not exceeding 10 years, as estimated by management to be the economic life of the asset over which economic benefits are expected to flow.

(d) Research and development costs

Revenue expenditure on research is expensed off under the respective heads of account in the year in which it is incurred.

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised, if the cost can be reliably measured, the product or process is technically and commercially feasible and the Company has sufficient resources to complete the development and to use and sell the asset. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads that are directly attributable to preparing the asset for its intended use. Other development expenditure is recognised in the statement of profit and loss as an expense as incurred.

Capitalised development expenditure is stated at cost less accumulated amortisation. Fixed assets used for research and development are depreciated in accordance with the Company's policy on fixed assets as stated above.

(e) Investments

Long term investments are stated at cost of acquisition inclusive of expenditure incidental to acquisition. A provision for diminution is made to recognise a decline, other than temporary in the value of long term investments.

Current investments are stated at lower of cost and fair value determined on an individual basis.

(f) Inventories

(i) Inventories are valued as under:

Inventories are stated at lower of cost and net realisable value.

(ii) Cost of inventories is ascertained on the following basis:

- Cost of raw materials, goods held for resale, packing materials and stores and spares is determined on the basis of weighted average method.

- Cost of work in progress and finished goods is determined by considering direct material cost, labour costs and appropriate portion of overheads and non-recoverable duties.

Liability for excise duty in respect of goods manufactured by the Company, other than for exports, is accounted upon completion of manufacture.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated cost to affect the sale.

(iii) Provision for obsolescence and slow moving inventory is made based on management's best estimates of net realisable value of such inventories.

(g) Government grants

Grants in the nature of contribution towards capital cost of setting up projects are treated as capital reserve and grants in respect of specific fixed assets are adjusted from the cost of the related fixed assets.

(h) Borrowing costs

Borrowing costs directly attributable to acquisition, construction or erection of fixed assets, which necessarily take a substantial period of time (generally 12 months or more) to be ready for the intended use, are capitalised. Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended use are complete.Other borrowing costs are recognised as an expense in the statement of profit and loss in the year in which they are incurred.

(i) Employee benefits

(i) Provident fund and Employees' state insurance

The Company makes contribution to statutory provident fund which is recognised by the income tax authorities in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 which is a defined contribution plan. These funds are administered through Regional Provident Fund Commissioner and contribution paid or payable is recognised as an expense in the period in which the services are rendered by the employee. The Company has no legal or constructive obligations to pay further contributions after payment of the fixed contribution.

The Company's contribution to state plans namely Employee's State Insurance Fund and Employee's Pension Scheme 1995 is recognised as an expense in the period in which the services are rendered by the employee.

(ii) Gratuity

Gratuity is a post employment benefit and is in the nature of defined benefit plan. The liability recognised in the balance sheet in respect of gratuity is the present value of the defined benefit obligation as at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses. Gratuity Fund is administered through Life Insurance Corporation of India. The defined benefit obligation is calculated at the balance sheet date on the basis of actuarial valuation by an independent actuary using projected unit credit method. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recorded in the statement of profit and loss in the year in which such gains or losses arise.

(iii) Unavalied leaves

The Company also provides benefit of compensated absences to its employees which are in the nature of long term benefit plan. The compensated absences comprises of vesting as well as non vesting benefit. Liability in respect of compensated absences becoming due and expected to be availed within one year from the balance sheet date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefits expected to be availed by the employees. Liability in respect of compensated absences becoming due and expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method as on the reporting date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recorded in the statement of profit and loss in the year in which such gains or losses arise.

(iv) Other benefits

Liability for long term employee retention schemes is determined on the basis of actuarial valuation at the year end. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the statement of profit and loss as income or expense.

Expense in respect of other short term benefits is recognised on the basis of amount paid or payable for the period during which services are rendered by the employees.

(j) Foreign currency transactions

(i) Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount, the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Subsequent recognition

Foreign currency monetary assets and liabilities are reported using the closing rate as at the reporting date.

Non-monetary items, which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

(iii) Exchange differences

Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year or reported in previous financial statements, are recognised as income or expense in the year in which they arise, except for exchange differences arising on foreign currency monetary items.

Exchange differences arising on long term foreign currency monetary items in so far as it relates to the acquisition of depreciable capital assets are added to the cost of such assets and in other cases, by transfer to "Foreign Currency Monetary Item Translation Difference Account", to be amortized over the balance period of such long term foreign currency monetary items or 31 March 2020, whichever is earlier.

(iv) Foreign branches

In respect of integral foreign branches, all revenues, expenses, monetary assets/ liabilities and fixed assets are accounted at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities are restated at the year end rates and resultant gains or losses are recognised in the statement of profit and loss.

(k) Derivative instruments

The Company uses foreign exchange forward contracts to hedge its exposure towards underlying assets or liability or for highly probable and forecasted transactions. These foreign exchange forward contracts are not used for trading or speculation purposes.

(i) Forward contracts where an underlying asset or liability exists

In such case, the difference between the forward rate and the exchange rate at the inception of the contract is recognised as income or expense over the life of the contract.

(ii) Forward contracts taken for highly probable/ forecast transactions

Such forward exchange contracts are marked to market at the balance sheet date if such mark to market results in exchange loss such exchange loss is recognised in the statement of profit and loss immediately. Any gain is ignored and not recognised in the financial statements in accordance with the principles of prudence enunciated in Accounting Standard 1- Disclosure of Accounting Policies notified under the Companies Act, 1956.

Profit or loss arising on cancellation or renewal of a forward contract is recognised as income or expense in the year in which such cancellation or renewal is made.

(l) Taxation

Tax expense comprises current tax and deferred tax.

(i) Current tax

Provision is made for current income tax liability based on the applicable provisions of the Income Tax Act, 1961 for the income chargeable under the said Act and as per the applicable overseas laws relating to a foreign branch.

(ii) Deferred tax

Deferred income taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which

such deferred tax assets can be realised. In respect of carry forward losses and unabsorbed depreciation, deferred tax assets are recognised only to the extent there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such losses can be set off.

(m) Leases

(i) Finance lease

Assets given under finance leases are recognised as receivables at an amount equal to the net investment in the lease and the finance income is recognised based on a constant periodic rate of return on the outstanding net investment in respect of the finance lease.

(ii) Operating lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets, are classified as 'Operating Leases'. Lease rentals in respect of assets taken under operating leases are charged to the statement of profit and loss on a straight line basis over the term of lease.

(n) Stock option plans

Stock options grants to the employees and to the non-executive directors who accepted the grant under the Company's Stock Option Plans are accounted in accordance with Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999. The Company follows the intrinsic value method and accordingly, the excess, if any, of the market price of the underlying equity shares as of the date of the grant of the option over the exercise price of the option, is recognised as employee compensation cost and amortised on a straight line basis over the vesting period.

(o) Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount and the reduction is treated as an impairment loss and is recognised in the statement of profit and loss. Where there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased, the Company books a reversal of the impairment loss not exceeding the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior accounting periods.

(p) Provisions and contingent liabilities

The Company creates 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 is made for a contingent liability when there is a:

- possible obligation, the existence of which will be confirmed by the occurrence/non-occurrence of one or more uncertain events, not fully with in the control of the Company;

- present obligation, where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation;

- present obligation, where a reliable estimate cannot be made.

Where there is a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

(q) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares, except where results would be anti-dilutive.

4 Share capital

Particulars	As at 31 December 2013		As at 31 March 2013	
	Number	Amount	Number	Amount
Authorised				
Equity shares of Rs. 10 each	1,250,000,000	12,500,000,000	1,250,000,000	12,500,000,000
Issued				
Equity shares of Rs. 10 each	198,306,104	1,983,061,040	168,306,104	1,683,061,040
Subscribed and fully paid up				
Equity shares of Rs. 10 each fully paid up	198,306,104	1,983,061,040	168,306,104	1,683,061,040
Total	198,306,104	1,983,061,040	168,306,104	1,683,061,040

(A) Terms and rights attached to equity shares :

The Company has one class of equity shares having par value of Rs. 10 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors, if any, is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(B) Shares allotted as fully paid up by way of bonus shares during the current reporting period and five years immediately preceding the current reporting period :

(No. of shares)

Particulars	31 December 2013	31 March 2013	31 March 2012	31 March 2011	31 March 2010	31 March 2009
Equity shares allotted as fully paid up bonus shares by capitalization of general reserve.	-	-	-	-	-	25,000

(C) Reconciliation of the number of shares outstanding at beginning and end of the reporting period :

Particulars	As at 31 December 2013		As at 31 March 2013	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the period/ year	168,306,104	1,683,061,040	168,306,104	1,683,061,040
Add : Shares issued during the period/ year	30,000,000	300,000,000	-	-
Less : Shares bought back during the period/ year	-	-	-	-
Shares outstanding at the end of the period/ year	198,306,104	1,983,061,040	168,306,104	1,683,061,040

(D) Shareholders holding more than 5 % of equity share capital :

Name of shareholder	As at 31 December 2013		As at 31 March 2013	
	Number of shares held	% of holding	Number of shares held	% of holding
Deepak Puri and HUF	57,420,141	28.95	27,420,141	16.32
International Finance Corporation*	-	-	15,076,791	8.96
Electra Partners Mauritius Limited	9,960,345	5.02	9,960,345	5.92

*International Finance Corporation has sold off its entire shareholdings in the secondary market during the current period.

(E) Stock option plans :

The Company has two Stock Option Plans:

(a) Employee Stock Option Plan 2004 and Director's Stock Option Plan 2005

The Company has granted options to its non-executive directors and employees of the Company and its subsidiaries, to be settled through issue of equity shares.

The Options granted vest over a period of maximum of four years from the date of grant.

In case of Employee Stock Option Plan-2004, the exercise price shall be as follows:-(i) Normal allocation:- Rs. 125 per option or prevailing market price, whichever is higher.(ii) Special allocation:- 50% of the options at Rs. 125 per option or prevailing market price, whichever is higher and the balance 50% of the options at Rs. 170 per option or prevailing market price, whichever is higher.In case of Directors' Stock Option Plan, the exercise price shall be Rs. 170 per option or prevailing market price, whichever is higher.

Two options granted before the record date under the above plans entitles the holder to three equity shares of the Company.

Reconciliation of number of options granted, exercised and cancelled/ lapsed during the period :

Particulars	For the period ended 31 December 2013		For the year ended 31 March 2013	
	Number	Weighted average price	Number	Weighted average price
Options outstanding at beginning of period/ year	654,450	313.02	1,233,950	257.39
Add: Options granted	-	-	-	-
Less: Options exercised	-	-	-	-
Less: Options cancelled	326,400	254.98	284,800	167.44
Less: Options lapsed	8,400	208.87	294,700	220.79
Less: Options forfeited	-	-	-	-
Options outstanding at the end of period/ year	**319,650**	**254.57**	**654,450**	**313.02**
Option exercisable at the end of period/ year	**319,650**	**254.57**	**629,050**	**318.82**

The options outstanding at the end of period had exercise price in the range of Rs. 125 to Rs. 491.90 (previous year Rs. 125 to Rs. 491.90) and a weighted average remaining contractual life of 1.56 years (previous year 2.04 years)

(b) Employee Stock Option Plan-2009

The Company established a stock option plan called " Moser Baer India Limited Stock Option Plan 2009". The plan was setup to offer and grant stock options, in one or more tranches, to employees and directors of the Company as the compensation committee of the Company may determine. The granted options shall be settled through issue of equity shares. The exercise price shall be as follows:- (i) Normal allocation:- Market price at the date of grant(ii) Special allocation:- 50% of the options at Rs. 125 per option or prevailing market price, whichever is higher and the balance 50% of the options at Rs. 170 per option or prevailing market price, whichever is higher. All options, whether vested or unvested, granted to grantee shall in any case expire after a period of seven years from the offer date.

During the current period, the Company has issued Nil (previous year Nil) options to eligible employees. No options have been exercised during the period.

Reconciliation of number of options granted, exercised and cancelled/ lapsed during the period :

Particulars	For the period ended 31 December 2013		For the year ended 31 March 2013	
	Number	Weighted average price	Number	Weighted average price
Options outstanding at beginning of period/ year	1,532,237	76.77	2,081,204	76.82
Add: Options granted	-	-	-	-
Less: Options exercised	-	-	-	-
Less: Options cancelled	267,196	75.68	548,967	76.98
Less: Options lapsed	-	-	-	-
Less: Options forfeited	-	-	-	-
Options outstanding at the end of period/ year	**1,265,041**	**77.00**	**1,532,237**	**76.77**
Option exercisable at the end of period/ year	**837,395**	**77.25**	**926,874**	**77.98**

The options outstanding at the end of period had exercise price in the range of Rs. 46.30 to Rs. 170.00 (previous year Rs. 46.30 to Rs. 170.00) and a weighted average remaining contractual life of 3.62 years (previous year 4.37 years).

(c) The impact on the loss of the Company for the period ended 31 December 2013 and the basic and diluted earnings per share had the Company followed the fair value method of accounting for stock options is set out below:

Particulars	For the period ended 31 December 2013	For the year ended 31 March 2013
Loss after tax as per statement of profit and loss (a)	(4,466,627,030)	(4,591,663,670)
Add: Employee stock compensation expenses as per intrinsic value method	-	-
Add: Reversal of employee stock compensation expenses as per fair value method on account of lapse of scheme	49,861,854	48,041,866
Loss after tax recomputed for recognition of employee stock compensation expenses under fair value method (b)	(4,416,765,176)	(4,543,621,804)
Loss per share based on earning as per (a) above:		
- Basic	(24.07)	(27.28)
- Diluted	(24.07)	(27.28)
Loss per share had fair value method been employed for accounting of employee stock options as per (b) above:		
- Basic	(23.80)	(27.00)
- Diluted	(23.80)	(27.00)

Fair values used for above computations have been calculated by taking into account the weighted average vesting period of the options.

5 Reserves and surplus

	Particulars	As at 31 December 2013	As at 31 March 2013
(a)	**Capital reserve**		
	Opening balance	181,440,000	181,440,000
	Add: Additions during the period/ year	-	-
	Less: Written back in current period/ year	-	-
	Closing balance	**181,440,000**	**181,440,000**
(b)	**Securities premium account**		
	Opening balance	6,533,172,317	7,139,740,803
	Less: Premium on redemption of foreign currency convertible bonds	776,861,039	606,568,486
	Closing balance	**5,756,311,278**	**6,533,172,317**
(c)	**Foreign currency monetary items translation difference account**		
	Opening balance	-	(97,508,432)
	Add: Exchange loss of long term foreign currency liabilities	-	(417,857,691)
	Add: Amortised in statement of profit and loss	-	515,366,123
	Closing balance	-	-
(d)	**Surplus as per statement of profit and loss**		
	Opening balance	(4,907,519,614)	(315,855,944)
	Add: Net loss for the period/ year	(4,466,627,030)	(4,591,663,670)
	Closing balance	**(9,374,146,644)**	**(4,907,519,614)**
	Total	**(3,436,395,366)**	**1,807,092,703**

6 Share application money pending allotment represents contribution received from promoters under the corporate debt restructuring scheme. Subsequent to 31 December 2013, the promoter has further infused Rs. 37,000,000 pursuant to which the Company on 28 February 2014 has issued 10,000,000 equity shares of Rs. 10 each. The Company has sufficient authorized capital to cover the share capital amount on allotment of above shares.

7 Long term borrowings

Particulars	As at 31 December 2013	As at 31 March 2013
Secured		
Term loans		
(a) Rupee loans from banks		
Term loans	8,146,512,000	8,701,837,053
Working capital term loans	966,743,000	1,108,448,000
Funded interest term loans	209,468,454	618,581,782
(b) Rupee loans from others		
Term loans	284,942,949	304,370,877
Working capital term loans	107,680,250	123,464,000
Funded interest term loans	4,939,734	25,912,877
Total	9,720,286,387	10,882,614,589

(Also refer note 47 for defaults in repayment of dues to the banks and a financial institution)

Note:

(i) Secured loans

(a) Nature of security and terms of repayment for secured borrowings as at 31 December 2013:

Particulars	As at 31December 2013	As at 31 March 2013	Security	Terms of repayment
Term loans under corporate debt restructuring	9,581,198,805	9,581,198,805	(i) First pari passu charge on fixed assets. (ii) Second pari passu charge on current assets of the Company. (iii) Pledge of 100% shareholding of the promoters of the Company. (iv) Personal guarantee of Mr. Deepak Puri and Mrs. Nita Puri. (v) Negative lien on land of Moser Baer Infrastructure and Developer Limited at Chennai on pari passu basis. (vi) Corporate guarantee of Moser Baer Infrastructure and Developers Limited. (subsidiary of the Company that owns the rights to the Chennai land). (vii) Pledge of shares of Moser Baer Infrastructure and Developers Limited.	Repayable in 32 quarterly installments after moratorium of 2 years from cut off date i.e. 30 November 2011 commencing from February 2014
Working capital term loans	1,399,900,000	1,399,900,000		Repayable in 16 quarterly installments after moratorium of 2 years from cut off date i.e. 30 November 2011, commencing from February 2014
Funded interest term loans	1,231,469,623	1,464,635,147		Repayable in 7 quarterly installments commencing from 30 September 2013
Term loans - other	-	18,750,000	First pari passu charge on fixed assets	Repayable in 16 quarterly installments effective from May 2008
Total	12,212,568,428	12,464,483,952		
Less : Current portion of long term debts	2,492,282,041	1,581,869,363		
Net long term borrowings	9,720,286,387	10,882,614,589		

(b) Interest rates

- Interest rate on long term borrowings varies from 10.25% to 11% p.a. (previous year 10.25% to 11% p.a.)

(c) Corporate debt restructuring scheme

During the year ended 31 March 2013, the Company accounted for corporate debt restructuring scheme (reclassifications and interest calculations) in the books for the year ended 31 March 2013. As per the corporate debt restructuring scheme, Company recorded amounts receivable from banks on account of installment paid prior to implementation of corporate debt restructuring, excess interest paid by the Company and release of additional limits as per the scheme. As of 31 December

2013, a total of Rs. 855,841,627 (previous year Rs. 1,334,391,231) is outstanding to be received from the banks. Recovery of this balance is subject to completion of reconciliation of corporate debt restructuring adjustments with some of the lender banks. Based on acceptance of management's calculation by certain lender banks, the management is of the view there will not be any material adjustment to this receivable.

The Borrowers and the CDR Lenders executed a MRA during the previous year. The MRA as well as the provisions of the Master Circular on Corporate Debt Restructuring issued by the Reserve Bank of India, give a right to the CDR Lenders to get a recompense of their waivers and sacrifices made as part of the CDR Proposal. The recompense payable by the borrowers is contingent on various factors including improved performance of the borrowers and many other conditions, the outcome of which currently is materially uncertain and hence the proportionate amount payable as recompense has been treated as a contingent liability. The aggregate present value of the sacrifice made/ to be made by CDR Lenders as per the MRA is approximately Rs 160.72 crore for the Company.

8 Other long term liabilities

Particulars	As at 31 December 2013	As at 31 March 2013
Deferred government grant (refer note below)	35,000,000	35,000,000
Security deposits from		
- Subsidiaries	1,715,000,000	1,715,000,000
- Others	12,200,000	12,200,000
Retention money	2,080,731	2,210,731
Lease equalisation reserve	44,535,208	37,647,449
Total	**1,808,815,939**	**1,802,058,180**

Note :

Ministry of New and Renewable Energy of the Government of India, as part of its Jawaharlal Nehru Nation Solar Mission 2010 sanctioned a Research and Development ('RandD') grant to the Company for its project 'Development of CIGS solar cell pilot plant to achieve grid parity solar cells'. One of the objectives of the grant is to develop low cost solar cell module with an aim to meet grid parity by using Cu(InGa)Se2 solar cells. During the year ended 31 March 2011, the Company received RandD grant of Rs 35,000,000 out of the total grant of Rs 71,050,000 being 50 % of the total project equipment cost of Rs 142,100,000. Pending acquisition of the equipment, the grant received has been disclosed in the financial statements as 'Government Grant' which shall be adjusted to the cost of specific fixed assets.

9 Long term provisions

Particulars	As at 31 December 2013	As at 31 March 2013
Provision for employee benefits		
Gratuity (refer note 43)	158,678,697	138,044,998
Unavailed leave (refer note 43)	74,784,777	81,232,141
Key resource bonus and deferred salary (refer note below)	185,859	7,044,642
Total	**233,649,333**	**226,321,781**

The following is the movement in provisions above from the beginning to the close of the reporting period:

Particulars	Key resource bonus and deferred salary	
	For the period ended 31 December 2013	For the year ended 31 March 2013
Balance as at the beginning of the period/ year	17,786,327	40,631,914
Add: Provision made during the period/ year	19,876,362	19,029,825
Less: Paid/ written back during the period/ year	(36,312,500)	(41,875,412)
Balance as at the end of the period/ year	**1,350,189**	**17,786,327**
Less: Amount classified under short term provisions	1,164,330	10,741,685
Balance at the end of the period/ year	**185,859**	**7,044,642**

10 Short term borrowings

Particulars	As at 31 December 2013	As at 31 March 2013
Short term loans (secured)		
(a) From banks		
- Secured by first pari passu charge on all current assets of the Company and further by way of second charge on all fixed assets of the Company (refer note below)	6,363,927,520	6,141,260,238
- Secured by lien on fixed deposits	-	46,005,052
(b) From others		
- Secured by first pari passu charge on all current assets of the Company and further by way of second charge on all fixed assets of the Company (refer note below)	446,500,000	483,081,714
Total	6,810,427,520	6,670,347,004

Notes :

Short term loans outstanding as at 31 December 2013 are further secured by:

1. Pledge of 100% shareholding of the promoters of the Company.
2. Personal guarantee of Mr. Deepak Puri and Mrs. Nita Puri.
3. Negative lien on land of Moser Baer Infrastructure and Developers Limited at Chennai on pari passu basis.
4. Corporate guarantee of Moser Baer Infrastructure and Developers Limited (subsidiary of the Company that owns the rights to the Chennai land).
5. Pledge of shares of Moser Baer Infrastructure and Developers Limited.

11 Trade payables

Particulars	As at 31 December 2013	As at 31 March 2013
Acceptances	854,745,146	1,002,591,556
Trade creditors		
- Dues to micro small and medium enterprises (refer note 46)	70,647,794	64,445,555
- Dues to others	2,158,661,463	2,042,721,334
Total	3,084,054,403	3,109,758,445

12 Other current liabilities

Particulars	As at 31 December 2013	As at 31 March 2013
Current maturities of long term loans	2,492,282,041	1,581,869,363
Foreign currency convertible bonds (refer note 44(d))	5,471,955,000	4,805,107,500
Premium on redemption on foreign currency convertible bonds (refer note 44(b))	2,032,527,592	1,784,830,756
Interest accrued but not due on borrowings	228,379	830,796
Interest accrued and due on borrowings	363,645,200	199,539,615
Income received in advance	17,855,039	11,155,804
Unpaid dividends	2,940,573	3,302,623
Others		
- Creditors for capital goods	80,770,556	97,693,188
- Employee benefits payable	128,589,688	173,622,948
- Statutory dues	82,693,185	75,262,365
- Security deposits received	2,882,951	3,272,951
- Retention money	45,139,930	45,139,930
- Book overdraft	45,932,358	-
- Other accrued liabilities	30,583,883	28,914,173
Total	10,798,026,375	8,810,542,012

13 Short term provisions

Particulars	As at 31 December 2013	As at 31 March 2013
(a) Provision for employee benefits		
Unavailed leaves	13,818,545	10,216,548
Key resource bonus and deferred salary (refer note 9)	1,164,330	10,741,685
(b) Others		
Provision for taxation	-	1,869,939
Provision for warranty (refer note below)	24,615,067	23,784,301
Provision for other probable obligations (refer note below)	439,212,610	412,503,835
Provision for redemption of foreign currency convertible bonds (refer note 44(b))	1,144,052,106	614,887,903
Total	**1,622,862,658**	**1,074,004,211**

Note :

The following is the movement in provisions above from the beginning to the close of the reporting period:

Particulars	Warranty*		Probable obligations**	
	For the period ended 31 December 2013	For the year ended 31 March 2013	For the period ended 31 December 2013	For the year ended 31 March 2013
Balance at the beginning of the period/ year	23,784,301	5,847,477	412,503,835	377,054,006
Add: Provision made during the period/ year	2,247,485	22,585,729	26,708,775	35,449,829
Less: Utilised/ written back during the period/ year	(1,416,719)	(4,648,905)	-	-
Balance at the end of the period/ year	**24,615,067**	**23,784,301**	**439,212,610**	**412,503,835**

* Warranty provision relate to the estimated outflow in respect of warranty for products sold by the Company. Due to the very nature of such costs, it is not possible to estimate the timing/uncertainties relating to their outflows as well as expense from such estimates.

** Probable obligations provision relates to the estimated outflow in respect of possible liabilities expected to arise in future. As per notification no. 22/2006 of Central Excise, the Company has to pay additional custom duty on its local sales, if the goods sold are exempted from payment of sales tax or value added tax. One of the units of the Company is exempt from payment of local sales tax and hence the department has disputed the same and demanded the duty on the sale of such goods. The Company has recorded the liability for the amount demanded and is accruing the interest on the same quarterly. Due to very nature of such costs, it is not possible to estimate the timing / uncertainties relating to their outflows as well as expense from such estimates, hence considered as short term in nature.

MOSER BAER INDIA LIMITED

Summary of significant accounting policies and other explanatory informations to the financial statements for the nine months period ended 31 December 2013

(All amounts in rupees, unless otherwise stated)

14 Fixed assets

Particulars	Gross block				Accumulated depreciation and amortisation				Net block	
	Balance as at 1 April 2013	Additions	Deletions	Balance as at 31 December 2013	Balance as at 1 April 2013	Charge for the period	Adjustment upon deletions	Balance as at 31 December 2013	Balance as at 31 December 2013	Balance as at 31 March 2013
Tangible assets										
Leasehold land	273,666,570	-	-	273,666,570	32,204,799	2,234,885	-	34,439,684	239,226,886	241,461,771
Buildings	3,302,066,844	-	-	3,302,066,844	1,062,465,293	82,075,577	-	1,144,540,870	2,157,525,974	2,239,601,551
Plant and equipments	40,724,784,920	1,073,661	7,996,718	40,717,861,863	33,851,962,701	1,403,972,223	7,596,882	35,248,338,042	5,469,523,821	6,872,822,219
Furniture and fixtures	176,121,752	28,535	810,427	175,339,860	96,541,394	7,114,879	780,664	102,875,609	72,464,251	79,580,358
Vehicles	19,566,675	-	-	19,566,675	13,454,449	1,123,122	-	14,577,571	4,989,104	6,112,226
Office equipments	102,057,026	22,465	-	102,079,491	45,115,139	3,515,039	28,535	48,601,643	53,477,848	56,941,887
Computer equipments	209,497,736	3,871,788	-	213,369,524	182,045,781	9,962,423	-	192,008,204	21,361,320	27,451,955
Total	**44,807,761,523**	**4,996,449**	**8,807,145**	**44,803,950,827**	**35,283,789,556**	**1,509,998,148**	**8,406,081**	**36,785,381,623**	**8,018,569,204**	**9,523,971,967**
Previous year	44,716,775,796	146,409,780	55,424,053	44,807,761,523	32,462,168,567	2,863,173,532	41,552,543	35,283,789,556	9,523,971,967	
Intangible assets										
Computer software	70,302,684	6,485,965	-	76,788,649	59,718,364	4,043,981	-	63,762,345	13,026,304	10,584,320
Technical know-how	438,380,208	-	-	438,380,208	271,858,614	28,704,381	-	300,562,995	137,817,213	166,521,594
Total	**508,682,892**	**6,485,965**	**-**	**515,168,857**	**331,576,978**	**32,748,362**	**-**	**364,325,340**	**150,843,517**	**177,105,914**
Previous year	380,796,234	132,198,588	4,311,930	508,682,892	295,193,147	39,150,148	2,766,317	331,576,978	177,105,914	

Notes:

1. Additions to plant and machinery include exchange loss of Rs. Nil (previous year exchange loss of Rs. 70,914,578).
2. Gross block of fixed assets include Rs. 435,443,406 (previous year Rs. 435,443,406) relating to the SEZ division of the Company.

15 Non current investments

Particulars	As at 31 December 2013		As at 31 March 2013	
Trade investments				
(1) Investment in equity shares				
(a) Subsidiaries				
European Optic Media Technology GMBH				
Share capital of € 2,025,000 (previous year € 2,025,000) includes reserve capital of Rs. 111,689,796 (previous year Rs. 111,689,796)	222,953,546		222,953,546	
Less: Provision for diminution	(168,852,376)	54,101,170	(168,852,376)	54,101,170
Peraround Limited				
1,524,761 (previous year 1,524,761) shares of €1.71 each		154,618,741		154,618,741
Photovoltaic Holdings Limited				
7,086,860 (previous year 7,086,860) equity shares of GBP 1 each		498,080,000		498,080,000
Moser Baer SEZ Developer Limited				
3,000,000 (previous year 3,000,000) equity shares of Rs. 10 each		30,000,000		30,000,000
Moser Baer Entertainment Limited				
270,000 (previous year 270,000) equity shares of Rs. 10 each		2,700,000		2,700,000
6,000,000 (previous year 6,000,000) equity shares of Rs. 10 each issued at premium of Rs. 90 each		600,000,000		600,000,000
Moser Baer Investments Limited				
1,400,000 (previous year 1,350,000) equity shares of Rs. 10 each		14,000,000		14,000,000
(b) Associates				
Global Data Media FZ-LLC				
7,194 (previous year 7,194) shares of AED 1,000 each	92,532,185		92,532,185	
Less: Provision for diminution	(92,532,185)	-	(92,532,185)	-
Moser Baer Infrastructure Limited				
3,430,000 (previous year 3,430,000) equity shares of Rs. 10 each	34,300,000		34,300,000	
Less: Provision for diminution	(34,300,000)	-	(34,300,000)	-
(c) Others				
Lumen Engineering Private Limited				
102,000 (previous year 102,000) equity shares of Rs. 10 each		1,020,000		1,020,000
Moser Baer Projects Private Limited				
510,000 (previous year 510,000) equity shares of Rs. 10 each		5,100,000		5,100,000
Capco Luxembourg S.A.R.L.				
(1) (previous year 1) equity share of € 125 each		4,961		4,961
		1,359,624,872		1,359,624,872
(2) Investments in preference shares				

Particulars	As at 31 December 2013		As at 31 March 2013	
(a) Subsidiaries				
Peraround Limited				
1,833 (previous year 1,833) zero coupon redeemable preference shares of € 100 each at a premium of € 900 each	299,156,000		299,156,000	
Less: Provision for diminution	(223,624,000)	75,532,000	(223,624,000)	75,532,000
Helios Photo Voltaic Limited (formerly Moser Baer Photovoltaic Limited)				
86,500,000 (previous year 86,500,000) 9% cumulative, convertible, redeemable series A preference shares of Rs. 10 each	865,000,000		865,000,000	
26,021,466 (previous year 26,021,466) 9% cumulative, redeemable series B1 preference shares of Rs. 10 each	260,214,660		260,214,660	
33,887,760 (previous year 33,887,760) 9% cumulative, redeemable series B2 preference shares of Rs. 10 each	338,877,600		338,877,600	
Less: Provision for diminution	(111,510,000)	1,352,582,260	-	1,464,092,260
Moser Baer Solar Limited				
105,000,000 (previous year 105,000,000) class C redeemable preference shares of Rs.10 each	1,050,000,000		1,050,000,000	
41,000,000 (previous year 41,000,000) series C redeemable preference shares of Rs.10 each	410,000,000	1,460,000,000	410,000,000	1,460,000,000
Moser Baer SEZ Developer Limited				
7,500,000 (previous year 7,500,000) 9% compulsorily cumulative convertible preference shares of Rs. 10 each at the premium of Rs. 90 each		750,000,000		750,000,000
Moser Baer Entertainment Limited				
50,000,000 (previous year 50,000,000) 10% cumulative, redeemable preference shares of Rs 10 each	500,000,000		500,000,000	
10,000,000 (previous year 10,000,000) 15% cumulative, redeemable series B preference shares of Rs. 10 each	100,000,000	600,000,000	100,000,000	600,000,000
Moser Baer Investments Limited				
63,114,660 (previous year 63,114,660) compulsorily convertible preference shares of Rs. 10 each		631,146,600		631,146,600
(b) Others				
Capco Luxembourg S.A.R.L.				
63,366 (previous year 63,366) preferred equity certificates of Euro 125 each	320,668,823		320,668,823	
Less: Provision for diminution	(320,668,823)	-	(320,668,823)	-
		4,869,260,860		4,980,770,860
(3) Investments in debentures				
Moser Baer Solar Limited				
1 (previous year 1) 13.25% non convertible debentures of Rs. 60,000,000 each	60,000,000		60,000,000	
1 (previous year 1) 13.25% non convertible debentures of Rs. 65,000,000 each	65,000,000		65,000,000	
1 (previous year 1) 13.25% non convertible debentures of Rs. 375,000,000 each	375,000,000	500,000,000	375,000,000	500,000,000
		500,000,000		500,000,000
Total		6,728,885,732		6,840,395,732

Particulars	As at 31 December 2013	As at 31 March 2013
Aggregate amount of unquoted investments	6,728,885,732	6,840,395,732
Aggregate amount of provision for diminution	951,487,384	839,977,384

16 Long term loans and advances

Particulars	As at 31 December 2013	As at 31 March 2013
Unsecured, considered good unless otherwise stated		
Advances for capital goods	26,389,604	48,361,055
Security deposits	72,914,331	70,505,021
Loan to subsidiaries	809,849,259	1,214,299,084
Prepaid expenses	428,180	1,028,600
Prepaid taxes (net of provision for tax Rs. 14,957,797 (previous year Rs. 82,635,015))	72,824,751	67,346,529
Balances with government authorities	129,522,404	145,414,421
Total	**1,111,928,529**	**1,546,954,710**

17 Other non current assets

Particulars	As at 31 December 2013	As at 31 March 2013
(a) Lease rent receivable from subsidiaries		
- Secured, considered good	1,715,000,000	1,715,000,000
- Unsecured, considered good	816,961,580	1,009,095,014
	2,531,961,580	2,724,095,014
(b) Others		
- Margin money	133,825,607	33,119,589
- Lease equalisation account	39,236,400	35,974,260
- Long term trade receivable from subsidiaries	1,328,250,000	-
	1,501,312,007	**69,093,849**
Total	**4,033,273,587**	**2,793,188,863**

18 Inventories

Particulars	As at 31 December 2013	As at 31 March 2013
(a) Raw materials and components	444,407,284	642,491,592
Goods-in-transit	89,097,583	98,129,260
	533,504,867	**740,620,852**
(b) Work-in-progress	2,133,694,448	2,112,003,373
	2,133,694,448	**2,112,003,373**
(c) Finished goods	1,326,394,382	1,336,743,136
	1,326,394,382	**1,336,743,136**
(d) Stock-in-trade	18,792,828	25,709,530
	18,792,828	**25,709,530**
(e) Stores and spares	834,007,770	902,654,683
Goods-in-transit	322,590	3,228,141
	834,330,360	**905,882,824**
(f) Loose tools	3,778,441	3,816,518
	3,778,441	**3,816,518**
(g) Packing material	113,254,275	125,678,393
Goods-in-transit	48,360,347	26,898,691
	161,614,622	**152,577,084**
Total	**5,012,109,948**	**5,277,353,317**

19 Trade receivables

Particulars	As at 31 December 2013	As at 31 March 2013
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
- Unsecured, considered good	863,100,289	1,524,596,843
- Unsecured, considered doubtful	115,201,563	259,145,075
- Less: Provision for doubtful debts*	(115,201,563)	(259,145,075)
	863,100,289	**1,524,596,843**
Others		
- Unsecured, considered good	4,101,731,933	4,651,287,916
	4,101,731,933	**4,651,287,916**
Total	**4,964,832,222**	**6,175,884,759**

* The following is the movement in provisions above from the beginning to the close of the reporting period:

Particulars	Provision for debtors	
	As at 31 December 2013	As at 31 March 2013
Balance as at the beginning of the period/ year	259,145,074	251,567,998
Add: Provision made during the period/ year	43,425,739	7,577,076
Less: Utilised/written back during the period/ year	(187,369,250)	-
Balance as at the end of the period/ year	**115,201,563**	**259,145,074**

20 Cash and bank balances

Particulars	As at 31 December 2013	As at 31 March 2013
Cash and cash equivalents		
Cash in hand	1,029,812	1,177,529
Funds in transit	500,000	45,009,805
Cheques in hand	6,975	515,234
Bank balances in		
- Current accounts	190,366,970	465,150,928
- Deposits with less than 3 months maturity	-	85,200,000
	191,903,757	**597,053,496**
Other bank balances		
Fixed deposits with maturity more than 3 months but less than 12 months	38,197,884	399,449,832
Margin money with maturity less than 12 months	482,429,325	309,207,878
Unpaid dividend accounts	2,940,574	3,302,624
	523,567,783	**711,960,334**
Total	**715,471,540**	**1,309,013,830**

21 Short term loans and advances

	Particulars	As at 31 December 2013	As at 31 March 2013
(a)	Loans and advances to related parties		
	Unsecured, considered good	151,380,152	144,951,249
(b)	Others		
	Unsecured, considered good		
	- Advances to suppliers	92,435,746	77,003,120
	- Prepaid expenses	68,923,797	63,723,661
	- Security deposits	11,436,660	13,817,121
	- Balance with government authorities	288,362,754	256,795,296
	- Advances to employees	3,341,533	1,849,758
	- Amount due from director (refer note below)	827,579	16,081,627
	- Others	13,745,179	27,091,480
	Unsecured, considered doubtful		
	- Taxes recoverable	449,294	449,294
	- Less: Provision	(449,294)	(449,294)
		-	-
	Total	630,453,400	601,313,312

Note:

Amount due from a director as at 31 March 2013 represents remuneration paid to the Managing Director in excess of Schedule XIII of Companies Act, 1956 for the period 1 September 2011 to 31 March 2013, for which the Company had filed an application with the Central Government for post facto approval. During the current period, the Company has received the approval for annual remuneration of Rs. 14,758,620. As a result, the amount of Rs. 13,598,867 included in balance recoverable as at 31 March 2013 has been charged to the statement of profit and loss during the period and the remaining balance will be recovered from the director in six equal installments. The Company has recovered four installments in the current period and the balance amount represents the remaining two pending installments.

22 Other current assets

Particulars	As at 31 December 2013	As at 31 March 2013
Interest accrued on fixed deposits	23,041,270	18,535,982
Interest accrued on investments	152,878,944	103,463,706
Interest accrued and due on loan to subsidiaries	36,707,293	329,672,726
Lease rent receivable	251,484,836	230,703,919
Recoverable from banks under corporate debt restructuring scheme	855,841,627	1,334,391,231
Lease equalisation account	1,466,640	-
Total	1,321,420,610	2,016,767,564

23 Revenue from operations

Particulars	For the period ended 31 December 2013	For the year ended 31 March 2013
Sale of products (refer note (i) below):		
- Finished goods	9,184,382,584	14,364,354,504
- Traded goods	34,132,011	30,484,276
	9,218,514,595	**14,394,838,780**
Sale of services (refer note (ii) below)	**340,492,272**	**531,459,436**
Other operating revenues:		
- Scrap sales	43,627,044	54,213,342
- Old liabilities and provisions no longer required written back	42,704,706	25,784,675
- Export benefits - focused product scheme	102,474,729	193,831,566
- Others	94,538,256	20,010,829
	283,344,735	**293,840,412**
Total	**9,842,351,602**	**15,220,138,628**

Notes:

(i) Detail of sales for major products are as follows:

Particulars	For the period ended 31 December 2013	For the year ended 31 March 2013
Finished goods		
- Optical media products	8,447,904,078	13,247,247,530
- Pen drives and cards	500,204,251	820,013,134
- Others	236,274,255	297,093,840
	9,184,382,584	**14,364,354,504**
Traded goods		
-LED and other products	34,132,011	30,484,276
	34,132,011	**30,484,276**
Total	**9,218,514,595**	**14,394,838,780**

(ii) Sale of services includes income earned by the SEZ division of the Company in the form of lease rental for assets given on lease and utility services provided to the entities situated in the SEZ.

24 Other income

Particulars	For the period ended 31 December 2013	For the year ended 31 March 2013
Interest income on		
- Deposits with banks	42,605,164	51,354,396
- Loans to subsidiaries	76,717,783	103,706,519
- Income tax refunds	3,856,352	3,972,340
- Unquoted long term investments	49,914,381	66,249,996
Other non-operating income		
Lease rent	47,253,780	63,005,040
Gain on foreign currency transactions (net)	390,760,679	502,773,653
Prior period income (refer note 48)	3,353,062	-
Profit on sale of fixed assets (net)	164	8,790,243
Total	**614,461,365**	**799,852,187**

25 Cost of materials consumed

Particulars	For the period ended 31 December 2013	For the year ended 31 March 2013
Raw materials (refer note below)	4,202,170,091	6,050,431,547
Packing materials	816,192,075	1,257,136,016
Total	5,018,362,166	7,307,567,563

Note:

Details of major components of raw material consumption are as follows:

Particulars	For the period ended 31 December 2013	For the year ended 31 March 2013
Polycarbonate	2,661,092,042	3,456,071,854
Silver	426,669,945	820,448,778
Others	1,114,408,104	1,773,910,915
Total	4,202,170,091	6,050,431,547

26 Purchase of stock in trade

Particulars	For the period ended 31 December 2013	For the year ended 31 March 2013
Purchase of LED products	5,459,328	14,363,076
Purchase of compact discs	3,958,416	64,264,255
Others	4,270,604	12,950,784
Total	13,688,348	91,578,115

27 Change in stock of finished goods, work-in-progress and traded goods

Particulars	For the period ended 31 December 2013	For the year ended 31 March 2013
Closing stock:		
- Finished goods	1,327,037,241	1,336,743,137
- Work-in-progress	2,133,694,448	2,112,003,373
- Traded goods	18,792,828	25,709,530
	3,479,524,517	3,474,456,040
Less: Opening stock:		
- Finished goods	1,336,743,137	1,513,518,462
- Work-in-progress	2,112,003,373	2,022,939,791
- Traded goods	25,709,530	35,147,068
	3,474,456,040	3,571,605,321
Excise duty on finished goods	(8,008,388)	(3,834,473)
Total	2,939,911	100,983,754

28 Employee benefits expense

Particulars	For the period ended 31 December 2013	For the year ended 31 March 2013
Salaries, wages and bonus	953,370,448	1,525,057,318
Contributions to -		
- Provident fund	50,996,032	77,865,690
- Employee's state insurance	2,895,404	10,247,769
- Gratuity fund (refer note 43)	20,633,700	36,648,230
Social security and other benefit plans for overseas employees	2,338,784	1,744,664
Staff welfare	106,110,040	150,004,173
Total	1,136,344,408	1,801,567,844

29 Depreciation and amortisation

Particulars	For the period ended 31 December 2013	For the year ended 31 March 2013
Depreciation and amortisation	1,542,746,510	2,902,323,680
Total	**1,542,746,510**	**2,902,323,680**

30 Finance cost

Particulars	For the period ended 31 December 2013	For the year ended 31 March 2013
Interest expense	1,575,222,422	1,966,742,273
Total	**1,575,222,422**	**1,966,742,273**

31 Other expenses

Particulars	For the period ended 31 December 2013	For the year ended 31 March 2013
Consumption of stores and spares	273,600,708	476,125,590
Power and fuel	1,372,037,744	1,929,080,947
Freight and forwarding	153,858,800	218,493,784
Royalty	184,319,489	776,478,742
Bank and LC charges	55,906,065	90,595,060
Commission on sales	2,630,966	6,719,263
Rent	444,168,254	618,752,879
Repairs		
- buildings	445,357	1,112,522
- machinery	19,425,683	45,542,659
- others	17,835,289	24,452,088
Insurance	72,002,756	101,198,987
Outsourced staff cost	152,008,320	230,107,672
Rates and taxes	2,318,218	7,275,430
Remuneration to auditors (refer note below)	15,698,846	18,334,544
Travelling and conveyance	45,775,333	76,145,261
Legal and professional	115,587,842	190,051,206
Warranty expenses	3,515,669	24,504,269
Loss on cancellation of forward contracts (net)	57,035,898	306,762,087
Provision for doubtful debtors	36,167,900	-
Others	156,242,965	245,216,325
Total	**3,180,582,102**	**5,386,949,315**

Note:

Payment to auditors include the following:

Particulars	For the period ended 31 December 2013	For the year ended 31 March 2013
Statutory audit (including limited reviews)	10,700,000	13,850,000
Certification	4,060,000	3,000,000
Out of pocket expenses	938,846	1,484,544
Total	**15,698,846**	**18,334,544**

32 Exceptional items

Particulars	For the period ended 31 December 2013	For the year ended 31 March 2013
Exchange differences on foreign currency convertible bonds	(666,847,500)	-
Advances and other receivables written off	(1,276,365,753)	-
Reversal of interest expense for previous year under corporate debt restructuring scheme (refer note 7(c))	-	187,313,968
Provision for diminution in long term investments*	(111,510,000)	(168,852,376)
Total	(2,054,723,253)	18,461,592

*Provision for diminution, other than temporary, in the value of non-current investment in Helios Photo Voltaic Limited (formerly Moser Baer Photo Voltaic Limited), a subsidiary company (previous year European Optic Media Technology GMBH).

33 Contingent liabilities

(a) Corporate guarantees given on behalf of the subsidiary companies: Rs. 20,430,975,000 (previous year Rs. 24,678,450,000). Against these guarantees, loans aggregating Rs. 15,867,946,862 (previous year Rs.15,270,411,636) have been availed by the subsidiary companies.

(b) Disputed demands (gross) in respect of:

Particulars	As at 31 December 2013	As at 31 March 2013
Entry tax		
[Amount paid under protest Rs. 11,928,443 (previous year Rs. 10,354,421) and bank guarantees furnished Rs. 15,558,616 (previous year Rs. 10,919,501)]	133,795,207	133,519,072
Service tax		
[Amount paid under protest Rs. 2,953,470 (previous year Rs. 2,953,470)]	695,928,194	367,384,719
Sales tax		
[Amount paid under protest Rs. 18,454,494 (previous year Rs. 17,010,790) and bank and other guarantees furnished Rs. 104,723,040 (previous year Rs. 101,470,187)]	159,974,070	121,988,323
Custom duty and excise duty		
[Amount paid under protest Rs. 5,805,819 (previous year Rs. 5,796,635)]	543,349,313	527,676,009
Income tax		
[Amount paid under protest Rs. 34,500,000 (previous year Rs. 34,500,000)]	115,689,581	112,775,091
Total	1,648,736,365	1,263,343,214

(c) Claims against the Company not acknowledged as debts: Rs. 345,900 (previous year Rs. Nil).

(d) Letters of credit opened by banks on behalf of the Company: Rs. 244,331,479 (previous year Rs. 356,269,994).

(e) Recompense amount payable in lieu of bank sacrifice (mandarory disclosure as per RBI): Rs. 1,194,220,949 (previous year Rs. 855,284,159).

The amount shown in (a) above represents guarantees given in the normal course of the Company's operations and are not expected to result in any loss to the Company on the basis of the beneficiary fulfilling its ordinary commercial obligations.

The amounts shown in (b) and (c) above represent the best possible estimates arrived at on the basis of available information. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been invoked by the Company or the claimants as the case may be and therefore cannot be estimated accurately. The Company engages reputed professional advisors to protect its interests and has been advised that it has strong legal positions against such disputes.

34 Capital commitments

Estimated value of contracts remaining to be executed on capital account and not provided for (net of advances): Rs. 173,433,150 (previous year Rs. 155,128,173).

35 Lease obligations

(a) The Company has entered into operating leases for its offices, guest houses, employee's residences and utilities that are renewable on a periodic basis and are cancellable at Company's option. Total lease payments recognized in the statement of

profit and loss with respect to aforementioned premises is Rs. 444,168,254 (previous year Rs. 618,752,879). The total rent recovered on sub lease during the year is Rs. 47,253,780 (previous year Rs.63,005,040).

(b) Assets taken on operating lease

The future minimum lease payments and sub lease rentals are as follows:

Particulars	As at 31 December 2013	As at 31 March 2013
Total of future minimum lease payments under non cancellable operating lease for period	17,501,400	62,505,000
a. Not later than one year	17,501,400	60,004,800
b. Later than one year but not later than five years	-	2,500,200
c. Later than five years	-	-
Total of future minimum sub-lease rental receivable for a period of three years	**18,376,470**	**65,630,250**

(c) Assets given on finance lease

The Company has given buildings and utilities on financial lease to units operating in its SEZ division.

Buildings are given on lease for a period of 20 years and utilities are given for a period of 7-10 years. Apart from the regular lease rental the Company has also taken interest free refundable security deposits of Rs. 1,605,000,000 (previous year Rs 1,605,000,000) from the lessees which is refundable at the end of the lease term.

Gross investments and present value of minimum lease payments receivable under the lease as under:

Particulars	As at 31 December 2013	As at 31 March 2013
Gross investments in the lease		
Not later than one year	445,740,000	445,740,000
Later than one year but not later than five years	1,500,813,661	1,678,894,866
Later than five years	712,696,439	868,920,234
Total	**2,659,250,100**	**2,993,555,100**
Present value of minimum lease payments receivable		
Not later than one year	238,498,889	262,434,824
Later than one year but not later than five years	603,157,255	729,342,478
Later than five years	(48,998,837)	(2,156,305)
Total	**792,657,307**	**989,620,997**
Unearned finance income	1,749,608,468	1,886,949,778
The present value of unguaranteed residual value	116,984,325	116,984,325

36 Taxation

Provision for taxation has not been made in the absence of assessable taxable income as per the Income Tax Act,1961.

The break up of net deferred asset/ tax liability is as under:

Particulars of timing differences	As at 31 March 2013	Movement during the period	As at 31 December 2013
Deferred tax liability			
Provision for lease rent equalisation	2,045,670	(511,417)	1,534,253
Total	**2,045,670**	**(511,417)**	**1,534,253**
Deferred tax assets			
Provision for leave encashment and gratuity	2,045,670	(511,417)	1,534,253
Total	**2,045,670**	**(511,417)**	**1,534,253**
Net deferred tax asset	**-**	**-**	**-**

Notes:

1. The tax impact for the above purpose has been arrived at by applying a tax rate of 32.445% (previous year 32.445%) being the prevailing tax rate for Indian Companies under the Income Tax Act, 1961
2. Deferred tax asset has been recognised only to the extent of the deferred tax liability.

37 Derivative instruments

The Company uses forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions. The Company does not enter into any derivative instruments for trading or speculative purposes.

(a) The forward exchange contracts outstanding as at 31 December 2013 are as under :

Currency exchange	USD/INR	EUR/INR
(i) Number of 'sell' contracts	2	-
	(9)	(1)
(ii) Aggregate foreign currency amount	1,500,000	-
Rs. value	104,700,000	-
Aggregate foreign currency amount	(10,000,000)	(2,000,000)
Rs. value	(562,040,000)	(148,390,000)

(b) The foreign currency exposures not hedged as at year end as at 31 December 2013 are as under:

(Figures in brackets are for the previous year)

Currency exchange	USD	EUR	GBP	CHF	JPY	SGD
Receivables in foreign currency	36,318,782	24,341,696	1	-	725,337	165
Rs. value	2,244,863,902	2,067,827,098	145	-	425,555	8,053
Receivables in foreign currency	(51,605,999)	(21,450,805)	(1)	-	(62,030)	(165)
Rs. value	(2,801,431,675)	(1,490,723,663)	(117)	-	(35,779)	(7,200)
Payables in foreign currency	110,099,132	626,901	13,635	146,560	28,821,583	126,644
Rs. value	6,807,429,359	53,267,747	1,395,148	10,141,952	16,915,387	6,195,434
Payables in foreign currency	(117,860,458)	(1,512,249)	(14,771)	(198,780)	(65,526,512)	(99,498)
Rs. value	(6,399,233,571)	(105,123,954)	(1,215,207)	(11,453,679)	(37,828,455)	(4,354,023)

38 Composition of raw material, packing material, stores, spares and consumables consumed

Particulars	Raw material and packing material		Stores, spares and tools	
	For the period ended 31 December 2013	For the year ended 31 March 2013	For the period ended 31 December 2013	For the year ended 31 March 2013
Imported				
Value (Rs.)	4,266,125,657	6,010,990,246	145,526,719	240,928,954
Percentage	85.01	82.26	53.19	50.60
Indigenous				
Value (Rs.)	752,236,509	1,296,577,317	128,073,990	235,196,636
Percentage	14.99	17.74	46.81	49.40
Total	5,018,362,166	7,307,567,563	273,600,709	476,125,590
Percentage	100	100	100	100

39 Foreign currency transactions

Particulars	For the period ended 31 December 2013	For the year ended 31 March 2013
(A) Value of imports on CIF basis:		
Purchase of finished goods	344,102	5,897,553
Raw material, including goods-in-transit Rs. 89,097,583 (previous year Rs. 98,129,260)	2,119,254,188	3,283,285,105
Capital goods	1,375,303	14,741,118
Stores, spares and consumables, including goods-in-transit Rs 322,590 (previous year Rs. 3,228,141)	114,828,187	223,376,007
Packing material, including goods-in-transit Rs. 48,360,347 (previous year Rs. 26,898,691)	361,225,083	363,859,349
Total	2,597,026,863	3,891,159,132
(B) Expenditure in foreign currency (on accrual basis):		
Travel	2,296,099	10,525,953
Royalty/ technical know-how fees	184,319,465	776,478,742
Directors sitting fees	230,000	539,995
Legal and professional	72,663,022	89,383,287
Other expenditure	149,443,417	153,370,667
Expenditure of foreign branch/ liaison office:		
- Staff welfare	42,254	83,208
- Rent/ lease rent	5,539,763	5,483,152
- Legal and professional expenses	668,533	2,224,127
- Miscellaneous expenses	27,200,390	29,999,826
- Insurance	3,372,077	4,161,038
- Salaries and wages	15,857,994	27,485,648
- Repairs and maintenance	101,917	185,278
Total	461,734,931	1,099,920,921
(C) Earnings in foreign exchange (on accrual basis):		
Value of exports on FOB basis	5,414,171,174	9,387,700,514
Interest	46,004,354	48,584,558
Other miscellaneous income	31,768,873	1,743,898
Total	5,491,944,401	9,438,028,970

40 Related party transactions:

In accordance with the requirements of Accounting Standard - 18 'Related Party Disclosures' the names of the related party where control/ ability to exercise significant influence exists, along with the aggregate amount of transactions and period end balances with them as identified and certified by the management are given below:

(a) Names of related parties

Nature of relationship	Name of the related party
Subsidiary	European Optic Media Technology GMBH
Subsidiary	Moser Baer SEZ Developer Limited
Subsidiary	Solar Research Limited
Subsidiary	Moser Baer Laboratories Limited
Subsidiary	Moser Baer Entertainment Limited
Subsidiary	Moser Baer Investments Limited
Subsidiary	Photo Voltaic Holdings Limited
Subsidiary	MB Solar Holdings Limited
Subsidiary	Moser Baer Solar Limited
Subsidiary	Helios Photo Voltaic Limited (formerly known as Moser Baer Photo Voltaic Limited)
Subsidiary	Perafly Limited
Subsidiary	Dalecrest Limited
Subsidiary	Nicofly Limited
Subsidiary	Perasoft Limited
Subsidiary	Crownglobe Limited
Subsidiary	Peraround Limited
Subsidiary	Advoferm Limited
Subsidiary	Cubic Technologies BV
Subsidiary	Tifton Limited
Subsidiary	Value Solar Energy Private Limited
Subsidiary	Pride Solar Systems Private Limited
Subsidiary	Admire Energy Solutions Private Limited
Subsidiary	Moser Baer Solar Systems Private Limited
Subsidiary	Competent Solar Energy Private Limited
Subsidiary	OM&T B.V.*
Subsidiary	Moser Baer Technologies Inc.
Subsidiary	Moser Baer Infrastructure and Developers Limited
Subsidiary	Moser Baer Photo Voltaic Inc.
Associate	Global Data Media FZ LLC
Associate	Moser Baer Infrastructure Limited
Associate	Solar Value Proizvodjna d.d.
Trust	Moser Baer Trust
Enterprises over which key management personnel exercise significant influence	Moser Baer Engineering and Construction Limited

* Under liquidation w.e.f. 1 October 2013

Key management personnel

Chairman & managing director	Mr. Deepak Puri
Whole time director	Mrs. Nita Puri
Executive director	Mr. Ratul Puri **

** Resigned in previous year

(b) Details of transactions with the related parties along with period/ year end balances in the ordinary course of business:

(Figures in brackets are for the previous year)

Particulars	Associates	Subsidiaries	Key management personnel and their relatives	Entities on which key management personnel have significant influence	Total
Sales of finished goods					
O M & T BV	-	-	-	-	
	(-)	(122,404,200)	(-)	(-)	
Helios Photo Voltaic Limited (formerly known as Moser Baer Photo Voltaic Limited)	-	27,108,822	-	-	
	(-)	(1,081,710)	(-)	(-)	
Moser Baer Solar Limited	-	25,133,514	-	-	
	(-)	(203,415,056)	(-)	(-)	
Moser Baer Entertainment Limited	-	1,204,696,225	-	-	1,256,938,561
	(-)	(2,083,404,888)	(-)	(-)	(2,410,305,854)
Services rendered to related party					
Moser Baer Engineering and Construction Limited	-	-	-	47,781,090	47,781,090
	(-)	(-)	(-)	(66,268,515)	(66,268,515)
Service charges (included in services)					
Helios Photo Voltaic Limited (formerly known as Moser Baer Photo Voltaic Limited)	-	81,081,958	-	-	
	(-)	(66,330,010)	(-)	(-)	
Moser Baer Solar Limited	-	210,032,047	-	-	291,114,005
	(-)	(595,906,433)	(-)	(-)	(662,236,443)
Lease rent (included in services)					
Helios Photo Voltaic Limited (formerly known as Moser Baer Photo Voltaic Limited)	-	12,656,153	-	-	
	(-)	(22,560,000)	(-)	(-)	
Moser Baer Solar Limited	-	33,422,371	-	-	
	(-)	(48,720,000)	(-)	(-)	
Moser Baer Engineering and Construction Limited	-	-	-	4,728,780	50,807,304
	(-)	(-)	(-)	(6,305,040)	(77,585,040)
Expenses incurred on behalf of other companies					
Helios Photo Voltaic Limited (formerly known as Moser Baer Photo Voltaic Limited)	-	4,985,456	-	-	
	(-)	(3,602,366)	(-)	(-)	
Moser Baer Solar System Private Limited	-	305	-	-	
	(-)	(192,393)	(-)	(-)	
Moser Baer Solar Limited	-	3,993,174	-	-	
	(-)	(6,098,807)	(-)	(-)	
Moser Baer Entertainment Limited	-	4,112	-	-	
	(-)	(-)	(-)	(-)	
O M & T BV	-	-	-	-	
	(-)	(18,437,131)	(-)	(-)	
Others	-	65,557	-	-	9,048,604
	(-)	(316,489)	(-)	(-)	(28,647,186)

(Figures in brackets are for the previous year)

Particulars	Associates	Subsidiaries	Key management personnel and their relatives	Entities on which key management personnel have significant influence	Total
Reimbursement/ recovery against sales					
O M & T BV	-	-	-	-	
	(-)	(208,048,690)	(-)	(-)	
Moser Baer Entertainment Limited	-	1,090,337,775	-	-	
	(-)	(2,328,207,700)	(-)	(-)	
Moser Baer Solar Limited	-	24,511,564	-	-	
	(-)	(24,498,644)	(-)	(-)	
Helios Photo Voltaic Limited (formerly known as Moser Baer Photo Voltaic Limited)	-	11,332,294	-	-	1,126,181,633
	(-)	(1,081,710)	(-)	(-)	(2,561,836,744)
Reimbursement/ recovery of expenses					
Helios Photo Voltaic Limited (formerly known as Moser Baer Photo Voltaic Limited)	-	246,388	-	-	
	(-)	(63,620,255)	(-)	(-)	
Moser Baer Solar Limited	-	412,679	-	-	
	(-)	(426,400,026)	(-)	(-)	
Moser Baer Entertainment Limited	-	2,895	-	-	
	(-)	(-)	(-)	(-)	
Moser Baer Engineering and Construction Limited	-	-	-	36,595,597	
	(-)	(-)	(-)	(53,661,854)	
Others	-	69,854	-	-	37,327,413
	(-)	(316,500)	(-)	(-)	(543,998,635)
Payment by related party of our behalf					
Helios Photo Voltaic Limited (formerly known as Moser Baer Photo Voltaic Limited)	-	939,750	-	-	939,750
	(-)	(-)	(-)	(-)	(-)
Provision made/ balances written off					
O M & T BV	-	243,578,096	-	-	
	(-)	(-)	(-)	(-)	
Peraround Limited	-	632,787,612	-	-	
	(-)	(-)	(-)	(-)	
Global Data Media FZ LLC	30,438,813	-	-	-	
	(-)	(-)	(-)	(-)	
Moser Baer Entertainment Limited	-	400,000,000	-	-	1,306,804,522
	(-)	(-)	(-)	(-)	(-)
Purchase of semi-finished goods/ raw material/services					
Moser Baer Entertainment Limited	-	231,336	-	-	
	(-)	(3,273,559)	(-)	(-)	
Helios Photo Voltaic Limited (formerly known as Moser Baer Photo Voltaic Limited)	-	2,768,651	-	-	
	(-)	(14,195)	(-)	(-)	

(Figures in brackets are for the previous year)

Particulars	Associates	Subsidiaries	Key management personnel and their relatives	Entities on which key management personnel have significant influence	Total
Moser Baer Solar Limited	-	9,345,107	-	-	
	(-)	(1,570,195)	(-)	(-)	
O M & T BV	-	-	-	-	12,345,094
	(-)	(213,569,933)	(-)	(-)	(218,427,882)
Purchase of fixed assets					
Moser Baer Technology Inc.	-	-	-	-	-
	(-)	(23,733,530)	(-)	(-)	(23,733,530)
Expenses charged by related party					
Helios Photo Voltaic Limited (formerly known as Moser Baer Photo Voltaic Limited)	-	1,996	-	-	
	(-)	(4,147,634)	(-)	(-)	
Peraround Limited	-	8,497,000	-	-	
	(-)	(-)	(-)	(-)	
Moser Baer Technologies Inc	-	41,134,232	-	-	
	(-)	(-)	(-)	(-)	
Moser Baer Solar Limited	-	358,932,971	-	-	408,566,199
	(-)	(506,102,633)	(-)	(-)	(510,250,267)
Payment made against expenses/services					
Moser Baer Solar Limited	-	2,649,682	-	-	
	(-)	(-)	(-)	(-)	
Moser Baer Technologies Inc.	-	34,780,580	-	-	37,430,262
	(-)	(-)	(-)	(-)	(-)
Payment made on behalf of related party					
Moser Baer Entertainment Limited	-	168,102	-	-	168,102
	(-)	(56,163)	(-)	(-)	(56,163)
Loans and advances granted					
Moser Baer Solar Limited	-	-	-	-	
	(-)	(169,336,785)	(-)	(-)	
Moser Baer Entertainment Limited	-	-	-	-	-
	(-)	(30,000,000)	(-)	(-)	(199,336,785)
Repayment of loans and advances granted					
Moser Baer Solar Limited	-	-	-	-	
	(-)	(169,336,785)	(-)	(-)	
Moser Baer Entertainment Limited	-	-	-	-	
	(-)	(13,000,000)	(-)	(-)	
Moser Baer Infrastructure & Developers Limited	-	-	-	-	-
	(-)	(3,500,000)	(-)	(-)	(185,836,785)
Interest charges in respect of loans/ investments					
Peraround Limited	-	42,148,002	-	-	
	(-)	(48,584,558)	(-)	(-)	

(Figures in brackets are for the previous year)

Particulars	Associates	Subsidiaries	Key management personnel and their relatives	Entities on which key management personnel have significant influence	Total
Moser Baer Infrastructure & Developers Limited	-	9,038,835	-	-	
	(-)	(11,980,399)	(-)	(-)	
Moser Baer Solar Limited	-	49,914,381	-	-	
	(-)	(66,249,996)	(-)	(-)	
Moser Baer Entertainment Limited	-	25,880,137	-	-	126,981,355
	(-)	(43,141,562)	(-)	(-)	(169,956,515)
Interest received against loans					
Moser Baer Infrastructure & Developers Limited	-	-	-	-	-
	(-)	(3,390,735)	(-)	(-)	(3,390,735)
Provision for diminution in the value of long term investments					
Helios Photo Voltaic Limited (formerly known as Moser Baer Photo Voltaic Limited)	-	111,151,000	-	-	
	(-)	(-)	(-)	(-)	
European Optic Media Technology GMBH	-	-	-	-	111,151,000
	(-)	(168,852,376)	(-)	(-)	(168,852,376)
Equity share allotted during the period					
Deepak Puri	-	-	300,000,000	-	300,000,000
	(-)	(-)	(-)	(-)	(-)
Share application money received during the current period					
Deepak Puri	-	-	163,000,000	-	163,000,000
	(-)	(-)	(200,000,000)	(-)	(200,000,000)
Directors remuneration					
Deepak Puri	-	-	25,185,077	-	
	(-)	(-)	(4,800,000)	(-)	
Nita Puri	-	-	3,187,503	-	28,372,580
	(-)	(-)	(4,250,000)	(-)	(9,050,000)
Outstanding receivables					
In respect of sales or services					
Global Data Media FZ LLC	110,494,136	-	-	-	
	(237,588,923)	(-)	(-)	(-)	
O M & T BV	-	-	-	-	
	(-)	(277,844,971)	(-)	(-)	
Helios Photo Voltaic Limited (formerly known as Moser Baer Photo Voltaic Limited)	-	506,090,238	-	-	
	(-)	(392,624,383)	(-)	(-)	
Moser Baer Solar Limited	-	4,874,397,574	-	-	
	(-)	(4,776,949,709)	(-)	(-)	
Moser Baer Solar System Private Limited	-	1,992,404	-	-	
	(-)	(1,992,099)	(-)	(-)	

(Figures in brackets are for the previous year)

Particulars	Associates	Subsidiaries	Key management personnel and their relatives	Entities on which key management personnel have significant influence	Total
Moser Baer Entertainment Limited	-	1,651,931,829		- -	
	(-)	(1,539,485,849)	(-)	(-)	
Moser Baer Engineering and Construction Limited	-	-	-	66,235,986	
	(-)	(-)	(-)	(50,889,186)	
Others	-	814	-	-	7,211,142,981
	(-)	(-)	(-)	(-)	(7,277,375,120)
In respect of loans to subsidiary					
Peraround Limited	-	809,849,259	-	-	
	(-)	(914,299,084)	(-)	(-)	
Moser Baer Infrastructure & Developers Limited	-	86,000,000	-	-	
	(-)	(86,000,000)	(-)	(-)	
Moser Baer Entertainment Limited	-	-	-	-	
	(-)	(300,000,000)	(-)	(-)	
Others	-	-	-	-	895,849,259
	(-)	(-)	(-)	(-)	(1,300,299,084)
In respect of advance to subsidiary					
Moser Baer Entertainment Limited	-	17,000,000	-	-	17,000,000
	(-)	(17,000,000)	(-)	(-)	(17,000,000)
In respect of interest accrued on loans/ investment					
Peraround Limited	-	-	-	-	
	(-)	(229,617,040)	(-)	(-)	
Moser Baer Infrastructure & Developers Limited	-	36,707,293	-	-	
	(-)	(27,758,846)	(-)	(-)	
Moser Baer Entertainment Limited	-	-	-	-	
	(-)	(72,296,840)	(-)	(-)	
Moser Baer Solar Limited	-	152,878,944	-	-	189,586,237
	(-)	(104,007,682)	(-)	(-)	(433,680,408)
In respect of debentures					
Moser Baer Solar Limited	-	500,000,000	-	-	500,000,000
	(-)	(500,000,000)	(-)	(-)	(500,000,000)
In respect of managerial remuneration					
Deepak Puri	-	-	966	-	
	(-)	(-)	(16,081,627)	(-)	
Ratul Puri	-	-	1,147,902	-	1,148,868
	(-)	(-)	(1,147,902)	(-)	(17,229,529)
Outstanding payables					
In respect of expenses/purchases (included in due to subsidiaries)					
O M & T BV	-	-	-	-	
	(-)	(89,462,256)	(-)	(-)	
Moser Baer Solar Limited	-	654,091,208	-	-	
	(-)	(486,059,316)	(-)	(-)	

(Figures in brackets are for the previous year)

Particulars	Associates	Subsidiaries	Key management personnel and their relatives	Entities on which key management personnel have significant influence	Total
Cubic Technologies B.V	-	10,119,966	-	-	
	(-)	(8,273,596)	(-)	(-)	
Moser Baer Technology	-	9,960,145	-	-	
	(-)	(7,832,006)	(-)	(-)	
Helios Photo Voltaic Limited (formerly known as Moser Baer Photo Voltaic Limited)	-	7,337,423	-	-	
	(-)	(4,142,653)	(-)	(-)	
Peraround Limited	-	8,497,000	-	-	690,005,742
	(-)	(-)	(-)	(-)	(595,769,827)
In respect of other advances					
European Optic Media Technology GMBH	-	1,380,841	-	-	1,380,841
	(-)	(1,188,379)	(-)	(-)	(1,188,379)
In respect of security deposit received for lease					
Helios Photo Voltaic Limited (formerly known as Moser Baer Photo Voltaic Limited)	-	380,000,000	-	-	
	(-)	(380,000,000)	(-)	(-)	
Moser Baer Solar Limited	-	1,335,000,000	-	-	
	(-)	(1,335,000,000)	(-)	(-)	
Moser Baer Engineering and Construction Limited	-	-	-	12,000,000	1,727,000,000
	(-)	(-)	(-)	(12,000,000)	(1,727,000,000)
In respect of managerial remuneration					
Nita Puri	-	-	414,182	-	414,182
	(-)	(-)	(450,432)	(-)	(450,432)

(c) Other arrangements

(Figures in brackets are for the previous year)

(i) Details of corporate guarantees provided on behalf of subsidiary companies

Particulars	Amount
Helios Photo Voltaic Limited (formerly known as Moser Baer Photo Voltaic Limited)	9,991,175,000
	(14,436,712,500)
Moser Baer Solar Limited	10,439,800,000
	(10,241,737,500)

(ii) Details of corporate guarantees provided by subsidiary companies on behalf of the Company

Particulars	Amount
Moser Baer Entertainment Limited	12,343,836
	(12,343,836)
Jointly by Moser Baer Entertainment Limited and Moser Baer Solar Limited	62,743,734
	(62,743,734)

41 Loss per share

Particulars	For the period ended 31 December 2013	For the year ended 31 March 2013
(a) Calculation of weighted average number of equity shares		
1. For basic EPS		
No. of shares at the beginning of the period/ year	168,306,104	168,306,104
Total number of equity shares outstanding at the end of the period/ year	198,306,104	168,306,104
Weighted average number of equity shares outstanding during the period/ year	185,578,831	168,306,104
2. For diluted EPS		
Weighted average number of equity shares outstanding during the period/ year as computed above	185,578,831	168,306,104
Weighted average number of stock options outstanding during the period/ year	-	-
Weighted average number of equity shares outstanding during the period/ year for diluted EPS	185,578,831	168,306,104
(b) Net loss after tax available for equity shareholders	(4,466,627,030)	(4,591,663,670)
Loss per share (face value per share Rs. 10 each)		
- Basic	(24.07)	(27.28)
- Diluted	(24.07)	(27.28)

42 Segment information

The Company is primarily in the business of manufacture and sale of Optical Storage Media. The other activities of the Company comprise creation/ replication and distribution of content, sales of consumer electronic products and operations and maintenance of sector specific Special Economic Zone for non-conventional energy.As the single financial report contains both consolidated financial statements and the separate financial statements of Moser Baer India Limited (the parent), segment information has been presented only on the basis of consolidated financial statements of the period ended 31 December 2013.

43 Employee benefits

The Company has classified the various benefits provided to employees as under:

A Defined contribution plans

During the period, the Company has recognised the following amounts in the statement of profit and loss:

(i) Provident fund

Particulars	For the period ended 31 December 2013	For the year ended 31 March 2013
Employers' contribution to provident fund*	34,189,886	46,918,316

(ii) State plans

Particulars	For the period ended 31 December 2013	For the year ended 31 March 2013
Employers' contribution to Employee's State Insurance Act, 1948	2,895,404	10,247,769
Employers' contribution to Employee's Pension Scheme, 1995	16,806,146	24,360,341

* Included in contribution to provident and employee state insurance funds under personnel expenses (refer note 28)

B Defined benefit plans

(i) In accordance with Accounting Standard 15, the liability in respect of defined benefit plans, namely gratuity and unavailed earned leaves has been determined based on actuarial valuation based on the following assumptions:

Particulars	Unavailed leaves (unfunded)		Employee's gratuity fund	
	For the period ended 31 December 2013	For the year ended 31 March 2013	For the period ended 31 December 2013	For the year ended 31 March 2013
Discount rate (per annum)	8.95%	8.00%	8.95%	8.00%
Rate of increase in compensation levels	10.00%	10.00%	10.00%	10.00%
Rate of return on plan assets	-	-	9.40%	9.40%
Expected average remaining working lives of employees (years)	4.96	7.43	4.96	7.43

(ii) Changes in the present value of obligation

Particulars	Unavailed leaves (unfunded)		Employee's gratuity fund	
	For the period ended 31 December 2013	For the year ended 31 March 2013	For the period ended 31 December 2013	For the year ended 31 March 2013
Present value of obligation at the beginning of the period/ year	80,875,157	87,447,743	246,239,750	224,540,108
Interest cost	5,149,126	8,197,584	14,969,937	20,334,817
Current service cost	9,107,032	13,000,098	19,114,930	24,725,267
Benefits paid	(9,107,987)	(10,254,192)	(33,979,629)	(25,628,035)
Equitable Interest transferred*	-	-	(3,353,062)	-
Actuarial gain on obligations	(6,870,892)	(17,516,076)	(7,110,593)	2,267,593
Present value of obligation at the end of the period/ year	**79,152,436**	**80,875,157**	**235,881,333**	**246,239,750**

*There has been transfer of employees from the Company to Moser Baer Solar Limited (MBSL) . Pursuant to which the Company has transferred the present value of obligation and fair value of planned asset of the transferred employees to MBSL.

(iii) Changes in the fair value of plan assets

Particulars	Employee's gratuity fund	
	For the period ended 31 December 2013	For the year ended 31 March 2013
Fair value of plan assets at the beginning of the period/ year	108,194,753	123,143,341
Expected return on plan assets	6,340,574	10,370,956
Actuarial gains and losses	-	308,491
Contributions	-	-
Benefits paid	(33,979,629)	(25,628,035)
Equitable Interest transferred*	(3,353,062)	-
Fair value of plan assets at the end of the period/ year	**77,202,636**	**108,194,753**

*There has been transfer of employees from the Company to Moser Baer Solar Limited (MBSL) . Pursuant to which the Company has transferred the present value of obligation and fair value of planned asset of the transferred employees to MBSL.

(iv) The present value of the defined benefit obligation, the fair value of the plan assets and the surplus or deficit in the plan; and experience adjustments arising on the plan liabilities and the plan assets.

Particulars	Employee's gratuity fund				
	For the period ended 31 December 2013	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011	For the year ended 31 March 2010
Present value of defined benefit obligation	235,881,333	246,239,750	224,540,108	196,614,786	182,439,484
Fair value of plan assets	77,202,636	108,194,753	123,143,341	130,934,270	133,153,245
Deficit in the plan assets	**(158,678,697)**	**(138,044,997)**	**(101,396,767)**	**(65,680,516)**	**(49,286,239)**

The expected contribution on account of gratuity for the year ending 31 December 2013 can't be ascertained at this stage.

Particulars	Unavailed leaves (unfunded)				
	For the period ended 31 December 2013	For the year ended 31 March 2013	For the year ended 31 March 2012	For the year ended 31 March 2011	For the year ended 31 March 2010
Present value of defined benefit obligation	79,152,436	80,875,157	87,447,743	81,531,908	83,452,256
Fair value of plan assets	-	-	-	-	-
Deficit in the plan assets	**(79,152,436)**	**(80,875,157)**	**(87,447,743)**	**(81,531,908)**	**(83,452,256)**

(v) Expenses recognised in the statement of profit and loss

Particulars	Unavailed leaves (unfunded)		Employee's gratuity fund	
	For the period ended 31 December 2013	For the year ended 31 March 2013	For the period ended 31 December 2013	For the year ended 31 March 2013
Current service cost	9,107,032	13,000,098	19,114,930	24,725,267
Interest cost	5,149,126	8,197,584	14,969,937	20,334,817
Expected return on plan assets	-	-	(6,340,574)	(10,370,956)
Net actuarial (gain)/loss recognized in the period/ year	(6,870,892)	(17,516,076)	(7,110,593)	1,959,102
Total expenses recognized in statement of profit and loss	***7,385,266**	***3,681,606**	**20,633,700**	**36,648,230**

* Included in salaries, wages and bonus expenses (refer note 28)

In respect of the employee's gratuity fund, constitution of plan assets is not readily available from Life Insurance Corporation of India.

44 Foreign currency convertible bonds

(a) The utilisation of the balance proceeds of zero coupon foreign currency convertible bonds is as under:

Particulars	As at 31 December 2013		As at 31 March 2013	
	USD	INR*	USD	INR*
Funds available at the beginning of the period/ year	142,709	7,746,966	147,911	7,525,709
Less: Bank charges	3,608	221,025	5,202	284,952
Unutilized issue proceeds #	**139,101**	**8,597,861**	**142,709**	**7,746,966**

\# Restated as at period end.

* Net of foreign exchange gain of Rs. 1,071,920 for the period ended 31 December 2013 and loss of Rs. 506,209 for the year ended 31 March 2013.

(b) Premium on redemption of foreign currency convertible bonds: movement from beginning to end of reporting period as follows:

Particulars	As at 31 December 2013	As at 31 March 2013
Opening balance	2,399,718,659	1,793,150,173
Add: Provision for the period/ year	776,861,039	606,568,486
	3,176,579,698	**2,399,718,659**
Less: Amount disclosed as other current liabilities (refer note 12)	2,032,527,592	1,784,830,756
Balance in short term provisions (refer note 13)	**1,144,052,106**	**614,887,903**

Premium payable on redemption of foreign currency convertible bonds accrued up to 31 December 2013 calculated on prorata basis Rs. 3,176,579,698 (previous year Rs. 2,399,718,659 has been fully provided for and charged to securities premium account. In the event that the conversion option is exercised by the holders of foreign currency convertible bonds in the future, the amount of premium charged to the securities premium account shall be written back to the securities premium account.

(c) Pursuant to the notification issued by The Ministry of Corporate Affairs dated 11 May 2011 read with the notification issued on 31 March 2009, the Company has chosen to avail the option to accumulate exchange differences arising on long term foreign currency monetary items in the "Foreign Currency Monetary Item Translation Difference Account". Amount

remaining to be amortised in this account is as under:

Particulars	As at 31 December 2013	As at 31 March 2013
Amortisation charged to statement of profit and loss	-	515,366,123

(d) The outstanding foreign currency convertible bonds (FCCBs) aggregating to principal value of USD 88,500,000 (equivalent to Rs 5,471,955,000) matured for redemption on 21 June 2012, which have since been claimed by the trustee of the bondholders. The Company has received approval from the Reserve Bank of India to extend the redemption date of bonds and is in discussions with the bondholders, through the Trustee, to re-structure the terms of these bonds. Pending acceptance by the bondholders and approval from the concerned regulatory authorities of the terms proposed by the Company, the financial obligations of the Company, other than premium on redemption, are presently not reasonably determinable, and hence have not been provided for. The petition under section 434 of the Companies Act, 1956, filed by the trustee on behalf of certain bondholders with the Hon'ble High Court of Delhi, which has since been admitted, and continues to be sub-judice.

45 Going concern

The Company has incurred loss of Rs 4,466,627,030 during the nine months period ended 31 December 2013, which along with the accumulated losses as of 31 December 2013 has completely eroded its net worth as on 31 December 2013. The Company's corporate debt restructuring scheme to re-structure the borrowings from secured lenders has already been approved and is confident of re-structuring the FCCB obligation as described in note 44(d), in the terms proposed by the Company. Pending the outcome of aforementioned discussions with the bondholders and the related litigation, successful implementation of corporate debt restructuring scheme in terms proposed by the Company, which are materially uncertain, the financial statements of the Company have been prepared on going concern basis.

46 Based on the information available with the Company, the Company has identified 32 vendors as micro, small and medium enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006. The balance due to such vendors has been disclosed separately under trade payables (refer note 11).

Disclosure relating to dues outstanding to micro, small and medium enterprises as defined in Micro, Small and Medium Enterprises Development Act, 2006

Particulars	As at 31 December 2013	As at 31 March 2013
(a) Amount remaining unpaid to micro ,small and medium enterprises at the end of period/ year		
Principal amount	70,647,794	64,445,555
Interest thereon	27,709,404	18,298,189
Total	98,357,198	82,743,744
(b) Amount of payments made to micro, small and medium enterprises beyond the appointed date during the period/ year		
Principal amount	176,733,645	194,062,011
Interest actually paid u/s 16 of the act.	-	-
Total	176,733,645	194,062,011
(c) Interest accrued (including interest u/s 16 of the act) and remaining unpaid at the end of the period/ year		
Interest accrued during the period/ year	9,411,214	4,394,302
Interest remaining unpaid during the period/ year	27,709,404	18,298,189

47 Details of defaults in repayment of dues to the banks/ financial institution *:

Particulars	Due date	Amount	Delay in days
Banks	31 May 2013	2,717,758	214
	30 June 2013	3,175,432	184
	31 July 2013	3,303,618	153
	31 August 2013	5,304,084	122
	30 September 2013	48,551,632	92
	31 October 2013	58,253,141	61
	30 November 2013	72,820,010	31

Particulars	Due date	Amount	Delay in days
Financial institution	31 May 2013	185,491	275
	30 April 2013	1,258,371	245
	31 May 2013	1,560,150	214
	30 June 2013	2,843,718	184
	31 July 2013	4,625,358	153
	31 August 2013	4,625,358	122
	30 September 2013	4,476,154	92
	31 October 2013	4,742,574	61
	30 November 2013	4,637,295	31

(* Refer note 7 for long term borrowing)

48 Prior period income

Particulars	For the period ended 31 December 2013	For the year ended 31 March 2013
Excess employee benefits expense of previous year reversed	3,353,062	-
Total	3,353,062	-

49 Impairment of investments and other assets recoverable from subsidiaries

The Company has performed a detailed impairment assessment, including using valuations performed by an independent valuer for Helios Photo Voltaic Limited and Moser Baer Solar Limited, to determine whether the following investments in and advances or other receivables from Helios Photo Voltaic Limited, Moser Baer Solar Limited and Moser Baer Entertainment Limited are recoverable.

(Figures in bracket are for the previous year)

Entity	Investment	Loans and advances	Trade and other receivables	Trade creditors and other liabilities	Net balance as at 31 December 2013 (before impairment)
Helios Photo Voltaic Limited (HPVL) (formerly known as Moser Baer Photo Voltaic Limited)	1,464,092,260	7,535,597	498,471,570	387,337,423	1,582,762,004
	(1,464,092,260)	(-)	(392,624,383)	(384,142,653)	
Moser Baer Solar Limited (MBSL)*	3,103,226,600	212,030,585	4,815,245,933	1,989,091,208	6,141,411,910
	(3,103,226,600)	(104,007,682)	(4,582,499,709)	(1,626,609,316)	
Moser Baer Entertainment Limited (MBEL)	1,202,700,000	414,918,175	1,654,013,654	-	3,271,631,829
	(1,202,700,000)	(372,296,840)	(1,556,485,849)	(-)	
Total	5,770,018,860	634,484,357	6,967,731,157	(2,376,428,631)	10,995,805,743

* includes investments held through Photovoltaic Holdings Limited and Moser Baer Investments Limited amounting to Rs. 498,080,000 and Rs. 645,146,600 respectively.

Such assessment is based on certain adjustments inter-alia, successful implementation of new technologies, new product initiatives, external market conditions, regulatory benefits and conclusion of debt restructuring in the terms as proposed by HPVL and MBSL, which are materially uncertain. Based on such assessment, the management has recorded a provision for diminution of Rs. 111,510,000 in the investment of HPVL, and has written off Rs. 397,918,175 and Rs. 2,081,825 from loans and advances and trade and other receivables respectively of MBEL for the period ended 31 December 2013.

50 Corresponding figures for the previous year have been regrouped / rearranged, wherever necessary to conform to current period classification.

51 The Company changed its financial year from 31 March to 31 December and consequently, current financial year consist of nine months period from April 2013 to December 2013. Accordingly, current financial year figures are not comparable with those of the previous year.

For **Walker, Chandiok & Co**
Chartered Accountants

per **Ashish Gupta**
Partner

Place: New Delhi
Date: 28 February 2014

For and on behalf of the board of directors of
MOSER BAER INDIA LIMITED

Deepak Puri
Chairman and
Managing Director

Nita Puri
Director

Yogesh Mathur
Group CFO

Minni Katariya
Head Legal and
Company Secretary

Independent Auditors' Report

To the Members of Moser Baer India Limited

1. We have audited the accompanying consolidated financial statements of Moser Baer India Limited, ("the Company") and its subsidiaries and associates (hereinafter collectively referred to as the "Group"), which comprise the consolidated Balance Sheet as at December 31, 2013, and the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the nine months period from April 1, 2013 to December 31, 2013, then ended ("the period"), and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

2. Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

6. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries and associates as noted below, the consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

   i) in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at December 31, 2013;

   ii) in the case of the consolidated Statement of Profit and Loss, of the loss for the period, from April 1, 2013 to December 31, 2013; and

   iii) in the case of the consolidated Cash Flow Statement, of the cash flows for the period, from April 1, 2013 to December 31, 2013.

Emphasis of Matter

7. We draw attention to note 47(a) and 52 to the consolidated financial statements which describes the ongoing re-structuring discussion with FCCB holders, the related accounting, and the fact that the Group has incurred a net loss of Rs. 6,955,644,158 during the period April 1, 2013 to December 31, 2013, and as of December 31, 2013 the Group's accumulated losses aggregate to Rs. 26,894,985,959 resulting in a complete erosion of the net worth of the Group. Further as on that date, the Group's current liabilities exceed its current assets by Rs. 12,574,642,068. These conditions along with matters set forth in note 47(a) and 52, indicate the existence of material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

8. We draw attention to note 46 to the consolidated financial statements with respect to impairment assessment of fixed assets carried out by the management of two subsidiary companies, Moser Baer Solar Limited (MBSL) and Helios Photo Voltaic Limited (HPVL) (formerly known as Moser Baer Photo Voltaic Limited). The aforementioned assessments and conclusion thereof are based on certain assumptions, including, external market conditions of solar market, successful implementation of the Corporate Debt Restructuring Scheme, ability of new technology to perform, regulatory benefits, which are materially uncertain. Our opinion is not qualified in respect of this matter.

9. We draw attention to Note 37(b) to the consolidated financial statements regarding recoverability of advances and

settlement of claims with two vendors, aggregating to Rs. 367,444,659 and Rs. 1,934,561,872 respectively, which are under litigation. Pending ultimate outcome of the matter, which is presently unascertainable, no adjustments have been made to the financial statements. Our opinion is not qualified in respect of this matter.

Other Matter

10. We did not audit the financial statements of certain subsidiaries included in the consolidated financial statements, whose financial statements reflect total assets (after eliminating intra-group transactions) of Rs. 331,786,655 as at December 31, 2013; total revenues (after eliminating intra-group transactions) of Rs. 4,869,061 and net cash outflows aggregating to Rs. 44,495 for the period then ended. These financial statements have been audited by other auditors whose audit reports have been furnished to us by the management, and our audit opinion on the consolidated financial statements of the Group for the period then ended to the extent they relate to the financial statements not audited by us as stated in this paragraph is based solely on the audit reports of the other auditors. Our opinion is not qualified in respect of this matter.

11. The consolidated financial statements also include the unaudited financial statements of certain subsidiaries, whose financial statements reflect total assets (after eliminating intra-group transactions) of Rs. 124,919,756 as at December 31, 2013 and total revenues (after eliminating intra-group transactions) of Rs 55,873,214 and net cash outflows aggregating to Rs. 20,669,881 for the period then ended. These financial statements have been certified by the management. Our opinion is not qualified in respect of this matter.

For **Walker, Chandiok & Co**
Chartered Accountants
Firm Registration No.: 001076N

per **Ashish Gupta**
Partner
Membership No. 504662

Place: New Delhi
Date: February 28, 2014

MOSER BAER INDIA LIMITED

Consolidated balance sheet as at December 31, 2013

(All amounts in rupees unless otherwise stated)

	Note	As at December 31, 2013	As at March 31, 2013
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	5	1,983,061,040	1,683,061,040
Preference shares issued by subsidiary companies	6	8,255,338,571	8,255,338,571
Reserves and surplus	7	(26,894,985,959)	(19,162,480,762)
		(16,656,586,348)	**(9,224,081,151)**
Share application money pending allotment	8	82,500,000	200,000,000
Non-current liabilities			
Long-term borrowings	9	24,232,190,512	20,903,003,610
Other long-term liabilities	10	102,033,931	88,233,621
Long-term provisions	11	503,238,068	529,211,181
		24,837,462,511	**21,520,448,412**
Current liabilities			
Short-term borrowings	12	8,852,760,470	9,441,506,321
Trade payables	13	2,105,631,737	2,593,057,470
Other current liabilities	14	13,611,566,982	13,812,326,917
Short-term provisions	15	1,633,967,348	1,089,716,653
		26,203,926,537	**26,936,607,361**
		34,467,302,700	**39,432,974,622**
ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	16	18,779,060,218	21,812,916,614
Intangible assets	16	1,141,138,688	1,421,922,951
Capital work-in-progress		57,264,641	57,656,475
Intangible assets under development		40,617,142	228,274,907
Non-current investments	17	8,074,951	8,074,951
Long-term loans and advances	18	581,841,613	2,148,001,017
Other non-current assets	19	230,020,978	119,034,267
		20,838,018,231	**25,795,881,182**
Current assets			
Inventories	20	6,099,591,102	6,338,981,944
Trade receivables	21	2,504,069,701	2,513,516,049
Cash and bank balances	22	1,096,736,051	1,767,295,583
Short-term loans and advances	23	2,683,344,445	1,424,687,630
Other current assets	24	1,245,543,170	1,592,612,234
		13,629,284,469	**13,637,093,440**
		34,467,302,700	**39,432,974,622**

The accompanying notes from 1 to 55 form an integral part of the consolidated financial statements.
This is the consolidated balance sheet referred to in our report of even date.

For **Walker, Chandiok & Co**
Chartered Accountants

per **Ashish Gupta**
Partner

Place: New Delhi
Date: 28 February 2014

For and on behalf of the board of directors of
MOSER BAER INDIA LIMITED

Deepak Puri
Chairman and
Managing Director

Nita Puri
Director

Yogesh Mathur
Group CFO

Minni Katariya
Head Legal and
Company Secretary

MOSER BAER INDIA LIMITED

Consolidated statement of profit and loss for the nine months period ended December 31, 2013

(All amounts in rupees unless otherwise stated)

	Notes	Period ended December 31, 2013	Year ended March 31, 2013
REVENUE			
Revenue from operations (gross)	25	11,841,824,904	17,352,429,890
Less: Excise duty		(398,830,879)	(557,037,410
Revenue from operations (net)		**11,442,994,025**	**16,795,392,480**
Other income	26	525,039,361	732,242,900
		11,968,033,386	**17,527,635,380**
EXPENSES			
Cost of materials consumed	27	6,103,943,691	8,416,492,708
Cost of film production		-	18,733,458
Purchases of stock-in-trade	28	573,025,029	485,545,082
Changes in inventories of finished goods, stock-in-trade and work-in-progress	29	(158,580,525)	391,742,451
Employee benefit expenses	30	1,578,698,235	2,557,567,564
Finance costs	31	3,197,156,593	3,962,690,182
Depreciation, amortisation and impairment	32	3,829,553,999	4,086,833,223
Amortisation of foreign currency monetary items translation difference account		-	515,366,123
Other expenses	33	3,847,414,685	5,894,618,815
		18,971,211,707	**26,329,589,606**
Loss before exceptional items and tax		**(7,003,178,321)**	**(8,801,954,226)**
Exceptional items	34	47,656,587	(360,134,268)
Loss before tax		**(6,955,521,734)**	**(9,162,088,494)**
Tax expense:			
- Current tax		122,424	231,514
Loss for the period/ year		**(6,955,644,158)**	**(9,162,320,008)**
Share in loss of associates		-	-
Net loss for the period/ year		**(6,955,644,158)**	**(9,162,320,008)**
Loss per equity share (equity share of par value of Rs. 10 each) - basic and diluted	**44**	**(37.48)**	**(54.44)**

The accompanying notes from 1 to 55 form an integral part of the consolidated financial statements.

This is the consolidated statement of profit and loss referred to in our report of even date.

For **Walker, Chandiok & Co**
Chartered Accountants

per **Ashish Gupta**
Partner

Place: New Delhi
Date: 28 February 2014

For and on behalf of the board of directors of
MOSER BAER INDIA LIMITED

Deepak Puri
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Managing Director

Nita Puri
Director

Yogesh Mathur
Group CFO

Minni Katariya
Head Legal and
Company Secretary

MOSER BAER INDIA LIMITED

Consolidated cash flow statement for the nine months period ended December 31, 2013

(All amounts in rupees unless otherwise stated)

		Period ended December 31, 2013	Year ended March 31, 2013
Cash flow from operating activities:			
Cash flow from operating activities:			
Loss before tax		(6,955,521,734)	(9,162,088,494)
Adjustments for:			
Depreciation, amortisation and impairment		2,421,458,799	4,602,199,346
Loss on impairment of assets		1,408,095,200	-
Interest expense		3,197,156,593	3,945,726,538
Interest income		(66,087,185)	(88,257,440)
Loss/ (profit) on sale of fixed assets (net)		1,128,935	(8,254,713)
Debts/advances written off		300,516,150	2,926,409
Provision for bad and doubtful debts		106,037,211	55,744,398
Provision for doubtful advances		214,297,868	63,104,015
Old liabilities and provisions no longer required written back		(149,774,564)	(112,565,157)
Stock written off		-	40,288,285
Provision for slow moving stock		170,223,847	-
Provision for warranty		20,362,640	13,945,884
Provision for films under production		27,954,978	10,045,546
Unrealised foreign exchange loss/ (gain)		52,786,597	(287,286,488)
Dimuntion in value of investment		-	593,327,997
Reversal of interest expense for previous year under corporate debt restructuring scheme		(331,510,604)	(233,193,729)
Prior period income (net)		(13,010,061)	(92,836,198)
Operating profit/(loss) before working capital changes		404,114,670	(657,173,801)
Adjustments for changes in working capital:			
Decrease in trade receivables		93,763,307	1,716,145,312
Decrease/ (increase) in loans and advances and other assets		878,156,455	(1,551,654,133)
Decrease in inventories		41,212,017	966,444,125
(Decrease)/ increase in trade payable and other liabilities		(1,885,274,093)	543,552,400
Cash (used in)/ generated from operations		(468,027,644)	1,017,313,903
Income tax (paid) (net of tax deducted at source)		45,407,765	160,743,375
Prior period income (net)		13,010,061	92,836,198
Net cash (used in)/ generated from operating activities	A	**(409,609,818)**	**1,270,893,476**
Cash flow from investing activities:			
Purchase of fixed assets/ additions to capital work-in-progress		(64,148,893)	(167,155,525)
Proceeds from sale of fixed assets		10,336,213	15,079,696
Net movement from fixed bank deposits, unpaid dividend		169,480,840	289,748,280
Interest received		63,400,688	113,700,157
Net cash generated from investing activities	B	**179,068,848**	**251,372,608**

MOSER BAER INDIA LIMITED

Consolidated cash flow statement for the nine months period ended December 31, 2013

(All amounts in rupees unless otherwise stated)

		Period ended December 31, 2013	Year ended March 31, 2013
Cash flow from financing activities:			
Proceeds from share application money		82,500,000	200,000,000
Proceeds from issue of preference shares by subsidiary		-	100,000,000
Proceeds from issue of equity shares to promoter		100,000,000	-
Net movement in long-term borrowings		3,114,173,335	9,001,406,077
Net movement in short-term borrowings		(596,665,625)	(6,855,358,274)
Finance cost paid		(2,970,183,381)	(3,551,697,337)
Dividend paid for earlier years		(362,050)	(377,008)
Net cash used in financing activities	C	**(270,537,721)**	**(1,106,026,542)**
Net (decrease)/ increase in cash and cash equivalents	(A+B+C)	**(501,078,691)**	**416,239,542**
Cash and cash equivalents at the beginning of the period/ year		900,201,531	483,961,989
Cash and cash equivalents at the end of the period/ year		**399,122,840**	**900,201,531**
Components of cash and cash equivalents			
Cash, cheques and drafts in hand		6,370,750	142,350,128
Remittances in transit		1,131,582	46,186,520
Balance with banks		311,417,228	624,327,824
Deposits with less than 3 months maturity		80,203,280	87,337,059
		399,122,840	**900,201,531**

Notes from 1 to 55 form an integral part of the consolidated financial statements.

This is the consolidated cash flow statement referred to in our report of even date.

For **Walker, Chandiok & Co**
Chartered Accountants

per **Ashish Gupta**
Partner

Place: New Delhi
Date: 28 February 2014

For and on behalf of the board of directors of
MOSER BAER INDIA LIMITED

Deepak Puri
Chairman and
Managing Director

Nita Puri
Director

Yogesh Mathur
Group CFO

Minni Katariya
Head Legal and
Company Secretary

1 Basis of preparation of consolidated financial statements

Consolidated Financial Statements (CFS) of Moser Baer India Limited ("the Company or Parent"), its subsidiaries and associates (referred to as "Group") are prepared under historical cost convention on an accrual basis, in accordance with the generally accepted accounting principles in India and to comply with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 issued by the Central Government in exercise of the power conferred under sub-section (I) (a) of section 642 and the relevant provisions of the Companies Act, 1956 (the 'Act') read with the General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.

2 Consolidation procedure

(a) The CFS are prepared in accordance with Accounting Standard (AS-21) "Consolidated Financial Statements" notified under The Companies Act, 1956 ("the Act"). The financial statements of the Parent and its subsidiaries are combined on a line by line basis by adding together sums of like nature, comprising assets, liabilities, income and expenses and after eliminating intra-group balances/ transactions.

(b) The Financial Statements of certain foreign subsidiaries and associates, are prepared by them on the basis of generally accepted accounting principles, local laws and regulations as prevalent in their respective countries and such financial statements are considered for consolidation.

(c) Subsidiaries are consolidated on the date on which effective control is transferred to the group and are no longer consolidated from the date of disposal.

(d) The financial statements of the subsidiaries have been drawn for the period from April 1, 2013 or date of incorporation/ acquisition, whichever is later, to December 31, 2013.

(e) The Parent's cost of its investment in its subsidiaries has been eliminated against the Parent's portion of equity of each subsidiary as on the date of investment in that subsidiary. The excess is recognised as 'Goodwill'. Negative goodwill is recognised as 'Capital Reserve'.

(f) For the purpose of compilation of the CFS the foreign currency assets, liabilities, income and expenditure are translated as per Accounting Standard (AS-11) on "Accounting for the Effects of Changes in Foreign Exchange Rates", notified under the Act. Exchange differences arising are recognised in the Consolidated Profit and Loss account or in the Foreign Currency Translation Reserve classified under Reserves and Surplus as applicable, under the above mentioned Accounting Standard.

(g) Investment in associates are accounted for under the Equity Method as per AS-23 "Accounting for Investments in Associates in Consolidated Financial Statements" notified under the Act based on the financial statements of the associates drawn up to the period ended mentioned in note 35 (b). The Group discontinues recognising the share of future losses when the share of losses in associate equals or exceeds the carrying amount of investment.

3 Use of estimates

The preparation of consolidated financial statements in conformity with the principles generally accepted in India requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent liabilities on the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Example of such estimates include provisions for doubtful debts/ advances, employee retirement benefit plans, warranty, provision for income taxes, useful life of fixed assets, diminution in value of investments and fixed assets, other probable obligations and inventory write down. Actual results could differ from those estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

4 Significant accounting policies

(a) Revenue Recognition

(i) Revenue from sale of goods

Revenue from sale of goods is recognised on transfer of significant risks and rewards incident to ownership and when no significant uncertainty exists regarding realisation of the consideration. Sales are recorded net of sales returns, rebates, trade discounts and price differences and are inclusive of excise duty.

Theatrical revenues from films are recognised as and when the films are exhibited and when no significant uncertainty exists regarding realisation of the sale consideration.

Revenue from sale of other rights such as satellite rights, music rights, overseas assignment rights etc. is recognised as and when the rights for exploitation are transferred to the customer and no significant uncertainty exists regarding realisation of the consideration.

(ii) Revenue from sale of services

Service income comprises of revenue from assets given on lease and other services rendered.

(a) Revenue from construction contracts

(a) Revenue in respect of construction contracts, which extend beyond an accounting period and where the outcome can be reliably estimated, is recognised on 'Percentage of Completion' method by calculating the portion that costs incurred upto the reporting date bear to the latest estimated total costs of each contract. In other cases, revenue is recognised only to the extent of contract costs incurred of which recovery is probable.

Provision for foreseeable losses on contracts is made, based on the estimates of the management.

(b) Revenue from assets given on lease is recorded in accordance with the accounting policy given below on 'Leases' .

(c) Income from other services is recognised as and when services are rendered.

(d) Export benefit entitlements under the Focused Product Scheme are recognised in the statement of profit and loss when the right to receive credit as per the terms of the scheme is established in respect of the exports made.

(iii) Other income

Interest is accounted for based on a time proportion basis taking into account the amount invested and the rate of interest.

Dividend is recognised as and when the right of the Company to receive payment is established as at the balance sheet date.

(b) Fixed assets

(i) Tangible assets

Tangible fixed assets are stated at cost less accumulated depreciation. Cost includes all expenses, direct and indirect, specifically attributable to its acquisition and bringing it to its working condition for its intended use.

Incidental expenditure pending allocation and attributable to the acquisition of fixed assets is allocated/ capitalised with the related cost of fixed assets.

Capital expenditure incurred on rented properties is recorded as leasehold improvements under fixed assets to the extent such expenditure is of permanent nature. Expenditure on assets which are of removable nature are recorded in the respective category of assets.

(ii) Intangible assets

Intangible assets are stated at cost less accumulated amortisation. The cost incurred to acquire technical know how with "right to use and exploit" are capitalised where the right allows the Company to obtain a future economic benefit from use of such know how.

The cost incurred to acquire "right to use and exploit" home video titles, are capitalised as copyrights/marketing and distribution rights where the right allows the Company to obtain a future economic benefit from such titles.

Further, expenditure incurred on knowhow yielding future economic benefits is recognised as internally generated intangible asset at cost less accumulated amortisation and impairment losses, if any.

Impairment, if any, in the carrying value of fixed assets is assessed at the end of each financial year in accordance with the accounting policy given below on "impairment of assets".

Fixed assets held for sale are recorded at lower of book value or estimated net realisable value.

(c) Depreciation and amortisation

(i) Tangible assets

Depreciation on tangible fixed assets is provided under straight-line method at rates specified in Schedule XIV to the Companies Act, 1956, being representative of the useful lives of tangible fixed assets.

Leasehold improvements are being amortised over the primary lease period or useful lives of related fixed assets whichever is shorter.

Depreciation on additions is being provided on pro-rata basis from the date of such additions. Similarly, depreciation on assets sold/disposed off during the period is being provided up to the date on which such assets are sold/disposed off. All assets costing Rs. 5,000 or less are fully depreciated in the year of purchase.

In case the historical cost of an asset undergoes a change due to an increase or decrease in related long-term liability on account of foreign exchange fluctuations on such long-term liabilities, the depreciation on the revised unamortised depreciable amount is provided prospectively over the residual useful life of the asset.

(ii) Intangible assets

Intangible assets are being amortised on a straight line basis over the useful life, not exceeding 10 years, as estimated by management to be the economic life of the asset over which economic benefits are expected to flow.

Copyrights/ marketing and distribution rights are amortised from the date they are available for use, at the higher of the amount calculated on a straight line basis over the period for which the intangible asset is available for exploitation to the Company, not exceeding 10 years and the number of units sold during the period basis.

(d) Investments

Long-term investments are stated at cost of acquisition inclusive of expenditure incidental to acquisition. A provision for diminution is made to recognise a decline, other than temporary in the value of long-term investments.

Current investments are stated at lower of cost and fair value determined on an individual basis.

(e) Inventory valuation

(i) Inventories are valued as under:

Finished goods, work-in-progress, traded goods and film rights Raw materials, packing materials and stores and spares	At lower of cost and net realisable value

(ii) Cost of inventories is ascertained on the following basis:

Cost of raw material, goods held for resale, packing materials and stores and spares is determined on the basis of weighted average method.

Cost of work-in-process and finished goods is determined by considering direct material costs, labour costs and appropriate portion of overheads.

Liability for excise duty in respect of goods manufactured by the Group, other than for exports, is accounted upon completion of manufacture.

(iii) Traded goods:

Traded goods held for resale are stated at lower of cost and net realisable value.Cost of traded goods is determined on weighted average cost basis.

(iv) Films under production:

Inventories of under production films and films completed and not released are valued at cost.

The cost of released films is amortised using the individual film forecast method. The said amortisation pertaining to theatrical rights, satellite rights, music rights, home video rights and others is based on management estimates of revenues from each of these rights. The inventory, thus, comprises of unamortised cost of such movie rights. These estimates are reviewed periodically and losses, if any, based on revised estimates are provided in full.

At the end of each accounting period, such unamortised cost is compared with net expected revenue. In case of net expected revenue being lower than actual unamortised costs, inventories are written down to net expected revenue.

(v) Cost of rights:

The purchase cost of the rights acquired in released films is apportioned between satellite rights and other rights (excluding home video rights) based on management's estimates of revenue potential.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated cost to affect the sale.

(vi) Provision for obsolescence and slow moving inventory is made below cost based on management's best estimates of net realisable value.

(f) Government grants

Grants in the nature of contribution towards capital cost of setting up projects are treated as capital reserve and grants in respect of specific fixed assets are adjusted from the cost of the related fixed assets.

(g) Borrowing costs

Borrowing costs directly attributable to acquisition, construction or erection of fixed assets, which necessarily take a substantial period of time to be ready for their intended use, are capitalised. Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete. Other borrowing costs are recognised as an expense in the statement of profit and loss in the period in which they are incurred.

(h) Employee benefits

(i) Provident fund and Employees' state insurance

The entities within the Group makes contribution to statutory provident fund which is recognised by the income tax authorities in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 which is a defined contribution plan, as applicable. These funds are administered through Regional Provident Fund Commissioner and contribution paid or payable is recognised as an expense in the period in which the services are rendered by employees of the contributing entities. These entities have no legal or constructive obligation to pay further contribution after payment of the fixed contribution.

Contribution to state plans namely Employee's State Insurance Fund and Employee's Pension Scheme 1995, as applicable is recognised as an expense in the period in which the services are rendered by employees of the contributing entities.

(ii) Gratuity

Gratuity is a post employment benefit and is in the nature of defined benefit plan. The liability recognised in the balance sheet in respect of gratuity is the present value of the defined benefit obligation as at the balance sheet date less the fair value of plan assets, together with adjustments for unrecognised actuarial gains or losses. Gratuity fund is administered through Life Insurance Corporation of India. The defined benefit obligation is calculated at the balance sheet date on the basis of actuarial valuation by an independent actuary using projected unit credit method. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recorded in the statement of profit and loss in the period in which such gains or losses arise.

(iii) Compensated absences

The Group also provides benefit of compensated absences to its employees which are in the nature of long-term benefit plan. The compensated absences comprises of vesting as well as non vesting benefit. Liability in respect of compensated absences becoming due and expected to be availed within one year from the balance sheet date is recognised on the basis of undiscounted value of estimated amount required to be paid or estimated value of benefits expected to be availed by the employees. Liability in respect of compensated absences becoming due and expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method as on the reporting date.Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recorded in the statement of profit and loss in the period in which such gains or losses arise.

(iv) Other benefits

Liability for long-term employee retention schemes is determined on the basis of actuarial valuation at the period end. Actuarial gains and losses comprise experience adjustments and the effects of changes in actuarial assumptions and are recognised immediately in the statement of profit and loss as income or expense.

Expense in respect of other short-term benefits is recognised on the basis of amount paid or payable for the period during which services are rendered by the employees.

(i) Foreign currency transactions

(i) Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount, the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Subsequent recognition

Foreign currency monetary assets and liabilities are reported using the closing rate as at the reporting date.

Non-monetary items, which are carried in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transaction.

(iii) Exchange differences

Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded during the period or reported in previous financial statements, are recognised as income or expense in the period in which they arise, except for exchange differences arising on foreign currency monetary items.

Gain/ loss on account of exchange fluctuations arising on long-term foreign currency liabilities in so far as it relates to the acquisition of depreciable capital assets is added to the cost of such assets and in other cases, by transfer to "Foreign Currency Monetary Item Translation Difference Account", to be amortised over the balance period of such long-term foreign currency liabilities or March 31, 2020, whichever is earlier.

(iv) Foreign operations

In respect of integral foreign branches, all revenues, expenses, monetary assets/ liabilities and fixed assets are

accounted at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities are restated at the period end rates and resultant gains or losses are recognised in the statement of profit and loss and non-monetary items are carried at historical rates. Exchange differences arising in case of integral foreign operations are recognised in the statement of profit and loss and exchange differences arising in case of non integral foreign operations are recognised in the foreign currency translation reserve classified reserves and surplus.

(j) Taxation

(i) Current tax:

Provision is made for current income tax liability based on the applicable provisions of the Indian Income Tax Act, 1961 for the income chargeable under the aforementioned Income Tax Act and the relevant income tax laws of other countries in which the branch/ other entities of the Group are incorporated.

(ii) Deferred tax:

Deferred income taxes reflects the impact of current period timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In respect of carry forward losses and unabsorbed depreciation, deferred tax assets are recognised only to the extent there is virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such losses can be set off.

Further, deferred tax asset appearing in books is reviewed at each reporting date and is written down to the extent it is not certain that the Company will pay taxes on future incomes against which such deferred tax asset may be adjusted.

(k) Leases

(i) Finance lease

Assets acquired under finance leases are recognised as an asset and a liability at the lower of the fair value of the leased assets at inception of the lease and the present value of minimum lease payments. Lease payments are apportioned between the finance charge and the reduction of the outstanding liability. The finance charge is allocated to periods during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability and charged in the statement of profit and loss.

(ii) Operating lease where group is lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets, are classified as 'Operating Leases'. Lease rentals in respect of assets taken under operating leases are charged to the statement of profit and loss on straight line basis over the term of lease.

(iii) Operating lease where group is lessor

Lease rentals in respect of assets given under operating leases are credited to the statement of profit and loss on straight line basis over the term of lease.

(l) Stock option plans

Stock options granted to the employees and to the non-executive Directors who accepted the grant under the Company's Stock Option Plan are accounted in accordance with Securities and Exchange Board of India (Employees Stock Option Scheme and Employees Stock Purchase Scheme) Guidelines, 1999. The Group follows the intrinsic value method and accordingly, the excess, if any, of the market price of the underlying equity shares as of the date of the grant of the option over the exercise price of the option, is recognised as employee compensation cost and amortised on straight line basis over the vesting period.

(m) Impairment of assets

At each balance sheet date, the Group assesses whether there is any indication that an asset may be impaired. If such indication exists, the Group estimates the recoverable amount and where carrying amount of the asset exceeds such recoverable amount, an impairment loss is recognised in the statement of profit and loss to the extent the carrying amount exceeds recoverable amount. Where there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased, the Group books a reversal of the impairment loss not exceeding the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior accounting periods.

(n) Warranty claims

The solar subsidiaries in the business of manufacturing of crystalline silicon solar photovoltaic modules provides up to

5 year limited warranty that the modules are free from defects in materials and workmanship, a 12 year limited warranty of 90 percent power output and a 25 year limited warranty of 80 percent of power output of its modules.

The subsidiaries accrue warranty costs, at the time when revenue is recognised.

Actual warranty costs are accumulated and charged against the accrued warranty liability. To the extent that actual warranty costs differ from the estimates, the Group will prospectively revise its accrual rate.

(o) Segment reporting

The accounting policies adopted for segment reporting are in line with the accounting policies adopted in consolidated financial statements with the following additional policies for segment reporting:

Inter segment revenue have been accounted for based on the transaction price agreed between segments with reference to cost, market prices and business risks, with an overall optimisation objective for the Group.

Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis, have been included under unallocated expenses/ revenue.

(p) Provisions and contingent liabilities

The Group creates 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 is made for a contingent liability when there is a:

- possible obligation, the existence of which will be confirmed by the occurrence/non-occurrence of one or more uncertain events, not fully with in the control of the Company;

- present obligation, where it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation;

Where there is a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

(q) Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares, except where results would be anti-dilutive.

(r) Research and development costs

Revenue expenditure on research is expensed off under the respective heads of account in the period in which it is incurred. Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised, if the cost can be reliably measured, the product or process is technically and commercially feasible and the relevant entity within the group has sufficient resources to complete the development and to use and sell the asset. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads that are directly attributable to preparing the asset for its intended use. Other development expenditure is recognised in the statement of profit and loss as an expense as incurred.

Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses.

(s) Derivative instruments

The Group uses foreign exchange forward contracts to hedge its exposure towards highly probable and forecasted transactions. These foreign exchange forward contracts are not used for trading or speculation purposes.

(i) Forward contracts where an underlying asset or liability exists

In such case, the difference between the forward rate and the exchange rate at the inception of the contract is recognised as income or expense over the life of the contract.

(ii) Forward contracts taken for highly probable/ forecast transactions

Such forward exchange contracts are marked to market at the balance sheet date if such mark to market results in exchange loss such exchange loss is recognised in the statement of profit and loss immediately. Any gain is ignored and not recognised in the financial statements in accordance with the principles of prudence enunciated in Accounting Standard 1 - 'Disclosure of Accounting Policies' notified under the Act.

Profit or loss arising on cancellation or renewal of a forward contract is recognised as income or expense in the period in which such cancellation or renewal is made.

4 Share capital

Particulars	As at December 31, 2013		As at March 31, 2013	
	Number	Amount	Number	Amount
Authorised Equity shares of Rs. 10 each	1,250,000,000	12,500,000,000	1,250,000,000	12,500,000,000
Issued Equity shares of Rs. 10 each	198,306,104	1,983,061,040	168,306,104	1,683,061,040
Subscribed and fully paid up Equity shares of Rs. 10 each fully paid up	198,306,104	1,983,061,040	168,306,104	1,683,061,040
Total	**198,306,104**	**1,983,061,040**	**168,306,104**	**1,683,061,040**

(A) Terms and rights attached to equity shares :

The Company has one class of equity shares with a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing annual general meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(B) Shares allotted as fully paid up by way of bonus shares during the current reporting period and five years immediately preceding the current reporting period:

(No. of shares)

Particulars	As at December 31, 2013	As at March 31, 2013	As at March 31, 2012	As at March 31, 2011	As at March 31, 2010	As at March 31, 2009
Equity shares allotted as fully paid up bonus shares by capitalization of general reserve.	-	-	-	-	-	25,000

(C) Reconciliation of the number of shares outstanding at the beginning and end of the reporting period:

Particulars	As at December 31, 2013		As at March 31, 2013	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the period/ year	168,306,104	1,683,061,040	168,306,104	1,683,061,040
Add : Shares issued during the period/ year	30,000,000	300,000,000	-	-
Less : Shares bought back during the period/ year	-	-	-	-
Shares outstanding at the end of the period/ year	**198,306,104**	**1,983,061,040**	**168,306,104**	**1,683,061,040**

(D) Shareholders holding more than 5 % of equity share capital :

Name of shareholder	As at December 31, 2013		As at March 31, 2013	
	Number of shares held	% of holding	Number of shares held	% of holding
Deepak Puri	57,420,141	28.95	27,420,141	16.32
International Finance Corporation*	-	-	15,076,791	8.96
Electra Partners Mauritius Limited	9,960,345	5.02	9,960,345	5.92

*International Finance Corporation has sold off its entire shareholdings in the secondary market during the current period.

(E) Stock option plans :

The Company has three Stock Option Plans:

(i) Employee Stock Option Plan 2004 and Director's Stock Option Plan 2005:

The Company has granted options to its non-executive directors and employees of the Company and its subsidiaries, to be settled through issue of equity shares at exercise prices that are equal to the market price of the share on the date of the grant. The options granted vest over a period of maximum of four years from the date of grant.

In case of Employee Stock Option Plan-2004, the exercise price shall be as follows:

(i) Normal allocation: Rs. 125 per option or prevailing market price, whichever is higher.

(ii) Special allocation: 50% of the options at Rs. 125 per option or prevailing market price, whichever is higher and the balance 50% of the options at Rs. 170 per option or prevailing market price, whichever is higher.

In case of Directors' Stock Option Plan, the exercise price shall be Rs. 170 per option or prevailing market price, whichever is higher.

Two options granted before the record date under the above plans entitles the holder to three equity shares of the Company.

Reconciliation of number of options granted, exercised and cancelled/lapsed during the period is as follows:

Particulars	As at December 31, 2013		As at March 31, 2013	
	Number	Weighted average price	Number	Weighted average price
Options outstanding at beginning of period/ year	654,450	313.02	1,233,950	257.39
Add: Options granted	-	-	-	-
Less: Options exercised	-	-	-	-
Less: Options cancelled	326,400	254.98	284,800	167.44
Less: Options lapsed	8,400	208.87	294,700	220.79
Options outstanding at the end of period/ year	**319,650**	**254.57**	**654,450**	**313.02**
Option exercisable at the end of period/ year	**319,650**	**254.57**	**629,050**	**318.82**

The options outstanding at the end of period had exercise price in the range of Rs. 125 to Rs. 491.90 (previous year Rs. 125 to Rs. 491.90) and a weighted average remaining contractual life of 1.56 years (previous year 2.04 years).

(ii) Employee Stock Option Plan-2009

The Company has established a stock option plan called "Moser Baer India Limited Stock Option Plan 2009" on September 8, 2009. The plan was set up to offer and grant stock options, in one or more tranches, to employees and directors of the Company as determined by the 'Compensation Committee' of the Company. The granted options shall be settled through issue of equity shares. The exercise price shall be as follows:

(i) Normal allocation: market price on the date of grant.

(ii) Special allocation: 50% of the options at Rs. 125 per option or prevailing market price, whichever is higher and the balance 50% of the options at Rs. 170 per option or prevailing market price, whichever is higher.

All options, whether vested or unvested, granted to grantee shall in any case expire after a period of seven years from the offer date.

Reconciliation of number of options granted, exercised and cancelled/ lapsed during the period :

Particulars	As at December 31, 2013		As at March 31, 2013	
	Number	Weighted average price	Number	Weighted average price
Options outstanding at beginning of period/ year	1,532,237	76.77	2,081,204	76.82
Add: Options granted	-	-	-	-
Less: Options exercised	-	-	-	-
Less: Options cancelled	267,196	75.68	548,967	76.98
Less: Options lapsed	-	-	-	-
Options outstanding at the end of period/ year	**1,265,041**	**77.00**	**1,532,237**	**76.77**
Option exercisable at the end of period/ year	**837,395**	**77.25**	**926,874**	**77.98**

The options outstanding at the end of period had exercise price in the range of Rs. 46.30 to Rs. 170.00 (previous year Rs. 46.30 to Rs. 170.00) and a weighted average remaining contractual life of 3.62 years (previous year 4.37 years).

(iii) Moser Baer Solar Plc Stock Option Plan 2008:

Moser Baer Solar Holdings Limited has established a stock option plan called 'Moser Baer Solar Plc Stock Option Plan 2008'. The plan was established on December 18, 2008. The plan was set up so as to offer and grant stock options, in one or more tranches, to employees of Moser Baer Solar Holdings Limited, its subsidiaries and its holding companies, as the remuneration committee of Moser Baer Solar Holdings Limited may determine. The exercise price of such options shall be Rs.1,228 initially for a period of three months from the date of the Plan and thereafter till listing of the shares, as determined by remuneration committee. Subsequent to the listing of the shares on a stock exchange, the exercise price shall be the latest available closing price, prior to the date of grant, as quoted on the stock exchange on which the shares of Moser Baer Solar Holdings Limited are listed. All options, whether vested or unvested, granted to a grantee shall in any case expire after a period of seven years from the offer date.

During the year, Moser Baer Solar Holdings Limited under the 2008 plan has issued nil (previous year nil) options to eligible employees. No options have been exercised during the year. The vesting period for the option granted varies from 12 to 48 months from the date of the grant. During the previous year, the exercise price of each option has been reduced to Rs. 500.

Reconciliation of number of options granted during the period and outstanding at the end of the period:

Particulars	As at December 31, 2013		As at March 31, 2013	
	Number	Weighted average price	Number	Weighted average price
Options outstanding at beginning of period/ year	96,006	129.88	213,386	129.84
Add: Options granted	-	-	-	-
Less: Options cancelled	3,509	129.88	117,380	129.32
Options outstanding at the end of the period/ year	**92,497**	**129.88**	**96,006**	**129.88**
Options exercisable at the end of the period/ year	**67,862**	**129.88**	**68,019**	**129.88**

The options outstanding at the end of the period have an exercise price of Rs. 500 (previous year Rs. 500) and a weighted average remaining contractual life of 2.94 years (previous year 3.94 years).

6 Preference shares issued by subsidiary companies:

Particulars	As at December 31, 2013		As at March 31, 2013	
	Number	Amount	Number	Amount
Fully convertible preference shares of GBP 1 each fully paid up	23,784,606	1,965,749,931	23,784,606	1,965,749,931
Non- cumulative, fully convertible Re 1 dividend bearing class A preference shares of Rs.10 each fully paid up	196,450,000	1,964,500,000	196,450,000	1,964,500,000
Non- cumulative, fully convertible Re 1 dividend bearing class B preference shares of Rs.10 each fully paid up	65,000,000	650,000,000	65,000,000	650,000,000
Fully convertible class B preference shares of GBP 1 each fully paid up	43,360,485	3,575,088,640	43,360,485	3,575,088,640
Re. 1 dividend bearing non-cumulative redeemable series D preference shares of Rs. 10 each	10,000,000	100,000,000	10,000,000	100,000,000
Total	**338,595,091**	**8,255,338,571**	**338,595,091**	**8,255,338,571**

Terms and rights attached to preference shares:

(i) During the year 2007-08, Moser Baer Solar Holdings Limited allotted 23,784,606, fully convertible Class-A preference shares of GBP 1 each to Indvest Pte Limited and CDC Group Plc. The shares are compulsorily convertible into equity shares of Moser Baer Solar Holdings Limited or, subject to receipt of regulatory approvals, to be swapped with equity shares of Moser Baer Solar Holdings Limited on November 11, 2011.

(ii) During the year 2007-08, Moser Baer Solar Limited allotted 196,450,000 non-cumulative, fully convertible Re. 1 dividend bearing class A preference shares of Rs. 10 each to IDFC Private Equity Fund II and Infrastructure Development Finance Company Limited. The shares are compulsorily convertible into equity shares of the Company or, subject to receipt of regulatory approvals, to be swapped with equity shares of Moser Baer Solar Limited on November 11, 2011.

(iii) During the year 2008-09, Moser Baer Solar Limited allotted 65,000,000 non-cumulative, fully convertible Re. 1 dividend bearing class B preference shares of Rs. 10 each to IDFC Private Equity Fund II and Infrastructure Development Finance Company Limited. Immediately prior to the Initial Public Offering (IPO) date of Moser Baer Solar Holdings Limited but after receipt of regulatory approvals, these shares shall get converted into equity shares of Moser Baer Solar Holding Limited, simultaneously with conversion of class A preference shares, or in the event IPO is not completed prior to the Long Stop IPO Date, i.e., November 11, 2011, be swapped with equity shares of Moser Baer Solar Holding Limited.

(iv) During the year 2008-09, Moser Baer Solar Holdings Limited allotted 43,360,485 , fully convertible class B preference shares of GBP 1 each to Morgan Stanley & Co., CDC Group Plc., Nomura Asia MB (Cayman) Limited, CSIM Real Estate infrastructure Fund L.P and Credit Suisse NYSTRS Cleantech Fund LP. Immediately prior to the Initial Public Offering (IPO) date but after receipt of regulatory approvals, these shares shall get converted into equity shares of Moser Baer Solar Holding Limited, simultaneously with conversion of class A preference shares, or in the event IPO is not completed prior to the Long Stop IPO Date, i.e., November 11, 2011, be swapped with equity shares of Moser Baer Solar Holdings Limited .

(v) The above preference shares (referred in (i) to (iv)) issued by Moser Baer Solar Holdings Limited ('subsidiary company') became due for conversion on November 11, 2011 as IPO had not been completed by long stop date. The subsidiary company is in negotiations with preference shareholders for proposed conversion of such preference shares into equity shares as per the shareholders agreement. Pending finalization of such revised arrangement between Moser Baer Solar Holdings Limited and the preference shareholders as well as receipt of regulatory approvals, no equity shares have been issued by December 31, 2013.

(vi) Series D preference shares are subject to compulsory redemption within 20 years from the date of allotment thereof (March 19, 2033 for 10,000,000 shares). These shares are held by Mr. Deepak Puri.

7 Reserves and surplus

Particulars	As at December 31, 2013	As at March 31, 2013
Capital reserve		
Opening balance	181,440,000	181,440,000
Add: Additions during the period/ year	-	-
Less: Amount utilised during the period/ year	-	-
Closing balance	**181,440,000**	**181,440,000**
Securities premium account		
Opening balance	6,533,172,315	7,139,740,801
Less: Premium on redemption of foreign currency convertible bonds (refer note 47(c))	776,861,039	606,568,486
Closing balance	**5,756,311,276**	**6,533,172,315**
Foreign currency monetary items translation difference account		
Opening Balance	-	(97,508,432)
Add: Exchange loss of long-term foreign currency liabilities	-	(417,857,691)
Add: Amortised in statement of profit and loss	-	515,366,123
Closing Balance	-	-
Foreign currency translation reserve		
Opening balance	(29,472,204)	(29,472,204)
Add: Additions during the period/ year	-	-
Less: Amount utilised during the period/ year	-	-
Closing balance	**(29,472,204)**	**(29,472,204)**
Deficit as per statement of profit and loss		
Opening balance	(25,847,620,873)	(16,685,300,865)
Add: Net loss for the period/ year	(6,955,644,158)	(9,162,320,008)
Closing balance	**(32,803,265,031)**	**(25,847,620,873)**
Total	**(26,894,985,959)**	**(19,162,480,762)**

8 Share application money pending allotment

Particulars	As at December 31, 2013		As at March 31, 2013	
	Number	Amount	Number	Amount
Equity shares of face value Rs 10 each proposed to be issued	8,250,000	82,500,000	20,000,000	200,000,000
	8,250,000	82,500,000	20,000,000	200,000,000

In parent company share application money pending allotment represents contribution received from promoters under the corporate debt restructuring scheme. Subsequent to December 31, 2013, the promoter has further infused Rs. 37,000,000 pursuant to which the Company on February 28, 2014 has issued 10,000,000 equity shares of Rs. 10 each. The company has sufficient authorized capital to cover the share capital amount on allotment of above shares.

In one of the subsidiary, Moser Baer Solar Limited, share application money pending allotment represents contribution received from promoters under the corporate debt restructuring scheme. Subsequent to December 31, 2013, non-cumulative Re. 1 dividend bearing 1,950,000 Series E redeemable preference shares of Rs. 10 each at par were allotted on preferential basis on January 24, 2014. All these preference shares are redeemable within a period of 20 years from the date of allotment of these preference shares.

9 Long term borrowings

Particulars	As at December 31, 2013	As at March 31, 2013
Secured		
Rupee loans		
- From banks		
- Term loans	14,663,729,628	14,326,224,035
- Working capital term loans	6,596,597,476	1,276,436,000
- Funded interest term loans	3,863,181,843	1,442,439,052
- From others		
- Term loans	738,632,086	719,204,208
- Working capital term loans	140,300,000	3,990,161,476
- Funded interest term loans	44,397,677	845,462,721
	26,046,838,710	**22,599,927,492**
Less: Current maturities of long-term debts (refer note 14)	2,905,108,403	2,770,221,516
	23,141,730,307	**19,829,705,976**
Foreign currency loans		
- From banks	592,162,411	877,177,267
- From others	1,914,049,761	1,680,791,393
	2,506,212,172	**2,557,968,660**
Less: Current maturities of long-term debts (refer note 14)	1,415,751,967	1,484,671,026
	1,090,460,205	**1,073,297,634**
Total	**24,232,190,512**	**20,903,003,610**

9 Additional disclosures:

(a) Secured borrowings:

(i) Nature of security and terms of repayment for secured borrowings as at December 31, 2013 (rupee loans):

Particulars	As at December 31, 2013	Nature of security	Terms of repayment
Rupee term loans	9,581,198,806	(i) First pari-passu charge on the fixed assets. (ii) Second pari-passu charge on the current assets of the Company. (iii) Pledge of 100% shareholding of the promoters of the Company. (iv) Personal guarantee of Mr. Deepak Puri and Mrs. Nita Puri. (v) Negative lien on land of Moser Baer Infrastructure and Developer Limited at Chennai on pari-passu basis. (vi) Corporate guarantee of Moser Baer Infrastructure and Developers Limited (subsidiary of the Company that owns the rights to the Chennai land). (vii) Pledge of shares of Moser Baer Infrastructure and Developers Limited.	Repayable in 32 quarterly installments after moratorium of 2 years from cut off date i.e. November 30, 2011 commencing from February 2014
Rupee term loans	270,826,000	(i) First pari-passu charge by way of mortgage (vide approval of concerned land authority) on the immovable properties acquired on sub-lease from MBIL comprising of 19,736 square metres of land at plot 66 B, Udyog Vihar, Greater Noida, Uttar Pradesh, together with all buildings and structures thereon and all plant and machinery attached to the earth or permanently fastened by anything attached to the earth, both present and future. (ii) Personal guarantee of Mr. Deepak Puri. (iii) Corporate guarantee of Moser Baer India Limited. (iv) Pari-passu charge by way of equitable mortgage of plot admeasuring 566.05 bighas along with superstructure thereon, situated at village Tinwari , District Jodhpur, Rajasthan (pending receipt of no objection certificate (NOC) from Jodhpur Land Authority).	Repayable in 30 unequal quarterly installment from the end of moratorium period i.e March 31, 2014. First installment commencing from June 30, 2014
Rupee term loans	225,000,270	(i) First pari-passu charge by way of mortgage on the immoveable properties acquired on sublease form MBIL comprising of 19,736 square meters of land at plot 66 B, Udyog Vihar, Greater Noida, Uttar Pradesh, together with all buildings and structures thereon and all plant and machinery attached to the earth or permanently fastened by anything attached to the earth, both present and future and hypothecation on entire movable fixed assets. (ii) Personal guarantee of Mr. Deepak Puri. (iii) Corporate guarantee of Moser Baer India Limited. (iv) First pari-passu charge by way of equitable mortgage of plot admeasuring 566.05 bighas along with superstructure thereon, situated at village Tinwari , District Jodhpur, Rajasthan. (pending receipt of no objection certificate(NOC) from Jodhpur Land Authority).	Repayable in 30 unequal quarterly installment from the end of moratorium period i.e March 31, 2014. First installment commencing from June 30, 2014

Particulars	As at December 31, 2013	Nature of security	Terms of repayment
Rupee term loans	460,700,000	(i) First pari-passu charge by way of hypothecation of the existing and future current assets of the Company and second pari-passu charge by way of hypothecation of all or part of machinery, accessories, equipments, stores and spares etc including electric equipments, DG set and other related items installed or to be installed at premises at plot 66 B or anywhere else. (ii) Personal guarantee of Mr. Deepak Puri. (iii) First pari-passu charge on entire fixed assets and second pari-passu charge on all current assets. (iv) Corporate guarantee of Moser Baer India Limited. (v) Pari-passu charge by way of equitable mortgage of plot admeasuring 566.05 bighas along with superstructure thereon, situated at village Tinwari , District Jodhpur, Rajasthan (pending receipt of no objection certificate (NOC) from Jodhpur Land Authority). (vi) The said loan is additionally secured by assignment of bank guarantee.	Repayable in 30 unequal quarterly installment from the end of moratorium period i.e March 31, 2014. First installment commencing from June 30, 2014
Rupee term loans	525,400,000	(i) First pari-passu charge by way of hypothecation over current assets (both present and future) of the Company. (ii) Personal guarantee of Mr. Deepak Puri. (iii) Corporate guarantee of Moser Baer India Limited. (iv) Pari-passu charge by way of equitable mortgage of plot admeasuring 566.05 bighas along with superstructure thereon, situated at village Tinwari , District Jodhpur, Rajasthan (pending receipt of no objection certificate (NOC) from Jodhpur Land Authority). (v) The said loan is additionally secured by assignment of bank guarantee.	Repayable in 30 unequal quarterly installment from the end of moratorium period i.e March 31, 2014. First installment commencing from June 30, 2014.
Rupee term loans	120,000,000	(i) First pari-passu charge by way of hypothecation of the existing and future current assets of the Company and second pari-passu charge on fixed assets of the Company. (ii) Personal guarantee of Mr. Deepak Puri. (iii) Corporate guarantee of Moser Baer India Limited. (iv) Pari-passu charge by way of equitable mortgage of plot admeasuring 566.05 bighas along with superstructure thereon, situated at village Tinwari, District Jodhpur, Rajasthan (pending receipt of no objection certificate (NOC) from Jodhpur Land Authority).	Repayable in 30 unequal quarterly installment from the end of moratorium period i.e March 31, 2014. First installment commencing from June 30, 2014
Rupee term loans	130,000,000		
Rupee term loans	4,089,236,638	(i) First pari-passu charge by way of mortgage on entire fixed assets, immovable properties plot no 66 B Udyog Vihar, Greater Noida comprising of 21,000 square metres of land together with building and	Repayable in 31 unequal installment from end of moratorium period i.e. March 31, 2014.First installment commencing from June, 2014.

Particulars	As at December 31, 2013	Nature of security	Terms of repayment
		structures constructed/to be constructed with fixed plant and machinery and hypothecation on movable fixed assets. (ii) Second pari passu charge on entire current assets, both present and future, of the Company (subject to no objection certificate (NOC) from Bank of Baroda). (iii) Personal guarantee of Mr. Deepak Puri and Nita Puri. (iv) Corporate guarantee of Moser Baer India Limited.	
Working capital term loans	1,470,300,000	(i) First pari-passu charge by way of hypothecation on movable fixed assets of the company. (ii) Second pari passu charge on entire current assets, both present and future, of the company (subject to no objection certificate (NOC) from Bank of Baroda). (iii) Personal guarantee of Mr. Deepak Puri and Nita Puri. (iv) Corporate guarantee of Moser Baer India Limited.	Repayable in 31 unequal installment from end of moratorium period i.e. March 31, 2014.First installment commencing from June, 2014.
Funded interest term loans	1,275,971,450	(i) First pari-passu charge by way of hypothecation on movable fixed assets of the company. (ii) Second pari passu charge on entire current assets, both present and future, of the company (subject to no objection certificate (NOC) from Bank of Baroda). (iii) Personal guarantee of Mr. Deepak Puri and Mrs. Nita Puri.	
Working capital term loans	1,399,900,000	(i) First pari-passu charge on the fixed assets. (ii) Second pari-passu charge on the current assets of the Company. (iii) Pledge of 100% shareholding of the promoters of the Company. (iv) Personal guarantee of Mr. Deepak Puri and Mrs. Nita Puri. (v) Negative lien on land of Moser Baer Infrastructure and Developer Limited at Chennai on pari-passu basis. (vi) Corporate guarantee of Moser Baer Infrastructure and Developers Limited (subsidiary of the Company that owns the rights to the Chennai land). (vii) Pledge of shares of Moser Baer Infrastructure and Developers Limited.	Repayable in 16 quarterly installments after moratorium of 2 years from cut off date i.e. November 30, 2011, commencing from February 2014.
Funded interest term loans	1,231,469,623		Repayable in 7 quarterly installments commencing from September 30, 2013.
Working capital term loans	3,866,697,476	(i) First pari-passu charge by way of hypothecation on entire movable fixed assets of the Company (pending approval from IFC- Washington) and second pari-passu charge on current assets of the Company. (ii) Corporate guarantee of Moser Baer India Limited. (iii) Personal guarantee of Mr. Deepak Puri. (iv) First pari-passu charge by way of equitable mortgage of plot admeasuring 566.05 bighas along with superstructure thereon, situated at village Tinwari, District Jodhpur, Rajasthan (pending receipt of no objection certificate (NOC) from Jodhpur Land Authority).	Repayable in 30 unequal quarterly installment from the end of moratorium period i.e March 31, 2014. First installment commencing from June 30, 2014.

Particulars	As at December 31, 2013	Nature of security	Terms of repayment
Funded interest term loans	1,400,138,447	(i) First pari-passu charge by way of hypothecation on entire movable fixed assets of the Company (pending approval from IFC- Washington) and second pari-passu charge on current assets of the Company. (ii) Personal guarantee of Mr. Deepak Puri. (iii) First pari-passu charge by way of equitable mortgage of plot admeasuring 566.05 bighas along with superstructure thereon, situated at village Tinwari, District Jodhpur, Rajasthan (pending receipt of no objection certificate (NOC) from Jodhpur Land Authority).	Repayable in 20 unequal quarterly installment from the end of moratorium period i.e March 31, 2014. First installment commencing from June 30, 2014.
Total	26,046,838,710		
Less: Current portion of long-term debts	2,905,108,403		
Net long-term borrowings	23,141,730,307		

Nature of security and terms of repayment for secured borrowings as at March 31, 2013 (rupee loans):

Particulars	As at March 31, 2013	Nature of security	Terms of repayment
Rupee term loans	9,581,198,806	(i) First pari-passu charge on the fixed assets. (ii) Second pari-passu charge on the current assets of the Company. (iii) Pledge of 100% shareholding of the promoters of the Company. (iv) Personal guarantee of Mr. Deepak Puri and Mrs. Nita Puri. (v) Negative lien on land of Moser Baer Infrastructure and Developer Limited (a subsidiary of the Company) at Chennai on pari-passu basis. (vi) Corporate guarantee of Moser Baer Infrastructure and Developers Limited (subsidiary of the Company). (vii) Pledge of shares of Moser Baer Infrastructure and Developers Limited (a subsidiary of the Company).	Repayable in 32 quarterly installments after moratorium of 2 years from cut off date i.e. November 30, 2011 commencing from February 2014.
Rupee term loans	18,750,000	First pari-passu charge on fixed assets of the Company.	Repayable in 16 quarterly installments effective from May 2008.
Rupee term loans	270,826,000	(i) First pari-passu charge by way of mortgage on the immovable properties comprising of 19,736 square metres of land at plot 66 B together with all buildings and structures thereon and all plant and machinery attached to the earth or permanently fastened by anything attached to the earth, both present and future. (ii) Personal guarantee of Mr. Deepak Puri.	Repayable in 30 unequal quarterly installment from the end of moratorium period i.e. March 31, 2014. First installment commencing from June 30, 2014.
Rupee term loans	225,000,270	(i) First pari-passu charge for rupee term loan and second pari-passu charge for working capital facilities by way of mortgage on the immovable properties comprising of 19,736 square metres of land at plot 66 B together with all buildings and structures thereon and all plant and machinery attached to the earth or permanently fastened by anything attached to the earth, both present and future. (ii) Personal guarantee of Mr. Deepak Puri.	

Particulars	As at March 31, 2013	Nature of security	Terms of repayment
Rupee term loans	460,700,000	(i) First pari-passu charge by way of hypothecation of the existing and future current assets of Helios Photo Voltaic Limited (a subsidiary of the Company, formerly known as Moser Baer Photo Voltaic Limited) and second pari-passu charge by way of hypothecation of all or part of machinery, accessories, equipments, stores and spares etc. including electric equipments, DG set and other related items installed or to be installed at borrower's premises at plot 66 B or anywhere else. (ii) Personal guarantee of Mr. Deepak Puri.	Repayable in 30 unequal quarterly installment from the end of moratorium period i.e. March 31, 2014. First installment commencing from June 30, 2014.
Rupee term loans	525,400,000	(i) First pari-passu charge by way of hypothecation over current assets (both present and future) of Helios Photo Voltaic Limited (formerly known as Moser Baer Photo Voltaic Limited (a subsidiary of the Company)) (ii) Personal guarantee of Mr. Deepak Puri.	
Rupee term loans	120,000,000	(i) First pari-passu charge by way of hypothecation of the existing and future current assets of Helios Photo Voltaic Limited (formerly known as Moser Baer Photo Voltaic Limited (a subsidiary of the Company) and second pari-passu charge on the fixed assets of Helios Photo Voltaic Limited (formerly known as Moser Baer Photo Voltaic Limited (a subsidiary of the Company)). (ii) Personal guarantee of Mr. Deepak Puri.	
Rupee term loans	130,000,000		
Rupee term loans	346,663,000	First pari-passu charge by way of mortgage on the immovable properties of Moser Baer Solar Limited (a subsidiary of the Company) comprising of 21,000 square metres of land together with building and structures constructed/to be constructed with fixed plant and machinery.	Repayable in -23 equal installments of Rs. 26,667,0001 installment of Rs. 26,659,000 (effective from April 2009).
Rupee term loans	59,139,900	First pari-passu charge by way of mortgage on the immovable properties of Moser Baer Solar Limited (a subsidiary of the Company) comprising of 21,000 square metres of land together with building and structures constructed/to be constructed with fixed plant and machinery.	Repayable in -23 equal installments of Rs. 4,930,0001 installment of Rs. 26,659,000 (effective from April 2009).
Rupee term loans	308,833,331	First pari-passu charge on the immovable properties of Moser Baer Solar Limited (a subsidiary of the Company) at plot 66 B comprising of 21,000 square metres of land together with building and structures constructed/to be constructed with fixed plant and machinery.	Repayable in 24 equal installments effective from March 2008 after a moratorium of 12 months.
Rupee term loans	407,618,651	First pari-passu charge on fixed assets and second pari-passu charge by way of hypothecation on current assets of the Moser Baer Solar Limited (a subsidiary of the Company). Further pari-passu charge by way of mortgage over plot 66 B Udyog Vihar admeasuring 21,000 square metres situated in Greater Noida along with building structures thereon.	Repayable in 20 equal installments effective from September 2013.

Particulars	As at March 31, 2013	Nature of security	Terms of repayment
Rupee term loans	1,000,000,000	(i) First pari-passu charge by way of hypothecation on all the present and future moveable fixed assets of Moser Baer Solar Limited (a subsidiary of the Company). (ii) First pari-passu charge by way of mortgage over plot 66 B Udyog Vihar admeasuring 21,000 square metres situated in Greater Noida along with building structures thereon.	Repayable in 20 equal installments effective from December 2012 after a moratorium of 24 months.
Rupee term loans	1,489,015,067	First charge by way of hypothecation of entire moveable fixed/block of assets of Moser Baer Solar Limited (a subsidiary of the Company) including plant and machinery, fittings and fixtures as installed therein. Import bills accompanied by bills of lading and other shipping documents.	Repayable in 20 equal installments effective from September 2013 after a moratorium of 24 months.
Rupee term loans	106,000,000	First pari-passu charge over Moser Baer Solar Limited's (a subsidiary of the Company) entire moveable fixed assets, both present and future. Fixed asset as per schedule III of hypothecation deed means: particularly moveable plant and machinery, equipments, furniture appliances, accessories whether or not installed. First pari-passu charge by way of mortgage over plot 66 B Udyog Vihar admeasuring 21,000 square metres situated in Greater Noida along with building structures thereon.	Repayable in 20 equal installments effective from September 2012 after a moratorium of 24 months.
Working capital term loans	1,399,900,000	(i) First pari-passu charge on the fixed assets. (ii) Second pari-passu charge on current assets of the Company. (iii) Pledge of 100% shareholding of the promoters of the Company. (iv) Personal guarantee of Mr. Deepak Puri and Mrs. Nita Puri. (v) Negative lien on land of Moser Baer Infrastructure and Developer Limited (a subsidiary of the Company) at Chennai on pari-passu basis. (vi) Corporate guarantee of Moser Baer Infrastructure and Developers Limited (a subsidiary of the Company). (vii) Pledge of shares of Moser Baer Infrastructure and Developers Limited (a subsidiary of the Company).	Repayable in 16 quarterly installments after moratorium of 2 years from cut off date i.e. November 30, 2011, commencing from February 2014.
Funded interest term loans	1,464,635,147		Repayable in 7 quarterly installments starting from September 30, 2013
Working capital term loans	3,866,697,476	First pari-passu charge by way of hypothecation on the fixed assets and second pari-passu charge on the current assets.	Repayable in 32 unequal quarterly installments from the end of moratorium period i.e. March 31, 2014.
Funded interest term loans	819,549,844		Repayable in 20 unequal quarterly installments from the end of moratorium period i.e. March 31, 2014.
Total	**22,599,927,492**		
Less: Current portion of long-term debts	2,770,221,516		
Net long-term borrowings	**19,829,705,976**		

(ii) Nature of security and terms of repayment for secured borrowings (foreign currency loans):

Particulars	As at December 31, 2013	As at March 31, 2013	Nature of security	Terms of repayment
From banks				
Foreign currency term loans	-	364,307,831	(i) First pari-passu charge by way of mortgage on entire fixed assets, immovable properties plot 66 B Udyog Vihar, Greater Noida comprising of 21,000 sq mtr of land together with building and structures constructed/to be constructed with fixed plant and machinery and hypothecation on movable fixed assets. (ii) Second pari-passu charge on entire current assets, both present and future, of the Company (subject to no objection certificate (NOC) from Bank of Baroda). (iii) Personal guarantee of Mr. Deepak Puri and Mrs. Nita Puri. (iv) Corporate guarantee of Moser Baer India Limited.	Repayable in 24 equal installments of $516,592 each.
Foreign currency term loans	-	4,183,226		Repayable in 24 equal quarterly installments of $5,931 each.
Foreign currency term loans	167,455,797	135,737,065		Repayable in 31 unequal installments from end of moratorium period i.e. March 31, 2014.
Foreign currency term loans	424,706,614	372,949,145	(i) First pari-passu charge by way of mortgage on the immovable properties of the company comprising of 21,000 square metres of land together with building and structures constructed/to be constructed with fixed plant and machinery. (ii) Corporate guarantee of Moser Baer India Limited	Repayable in 20 equal installments of $ 490,639 each.
From others				
Foreign currency term loans	1,082,025,000	950,162,500	(i) First pari-passu charge by way of mortgage (vide approval of concerned land authority) on the immovable properties acquired on sublease form MBIL comprising of 19,736 square metres of land at plot 66 B, Udyog Vihar, Greater Noida, Uttar Pradesh, together with all buildings and structures thereon and all plant and machinery attached to the earth or permanently fastened by anything attached to the earth, both present and future. (ii) Pari-passu charge by way of equitable mortgage of plot admeasuring 566.05 bighas along with superstructure thereon, situated at village Tinwari, District Jodhpur, Rajasthan (pending receipt of no objection certificate (NOC) from Jodhpur Land Authority). (iii) Corporate guarantee of Moser Baer India Limited.	$1,000,000 each on May 15 2010, November 15 2010, and May 15, 2011;$2,000,000 on November 15, 2011;$2,500,000 on May 15, 2012;$3,000,000 on November 15, 2012;$4,000,000 each on May 15, 2013, November 15, 2013 and May 15, 2014.

Particulars	As at December 31, 2013	As at March 31, 2013	Nature of security	Terms of repayment
Foreign currency term loans	832,024,761	131,458,955	(i) First pari-passu charge by way of mortgage on entire fixed assets, immovable properties plot 66 B Udyog Vihar, Greater Noida comprising of 21,000 square metres of land together with building and structures constructed/to be constructed with fixed plant and machinery.	Repayable in 31 unequal installments from end of moratorium period i.e. March 31, 2014.
Foreign currency term loans	-	599,169,938	(ii) Second pari-passu charge on entire current assets, both present and future, of the Company. (iii) Personal gurarantee of Mr. Deepak Puri and Mrs. Nita Puri. (iv) Corporate guarantee of Moser Baer India Limited.	Repayable in 20 equal installments of $551,773 each.
Total	**2,506,212,172**	**2,557,968,660**		
Less: Current portion of long-term debts	1,415,751,967	1,484,671,026		
Net long-term borrowings	**1,090,460,205**	**1,073,297,634**		

(iii) Interest rate on long-term borrowings varies from 10.25 to 15.25 % p.a. (previous year 10.25 to 15.25 % p.a.)

(iv) Details of default in repayment of loans and interest of Moser Baer India Limited and its subsidiaries namely - Helios Photo Voltaic Limited (formerly known as Moser Baer Photo Voltaic Limited) and Moser Baer Solar Limited are summarised below:

The details of continuing defaults of principal and interest in each case as at December 31, 2013 are as follows:

Particulars	Due date	Amount	Period of default in days
Banks	July 14, 2012	36,146,280	535
	October 14, 2012	35,740,398	443
	January 14, 2013	35,392,300	351
	March 31, 2013	13,057,720	275
	April 14, 2013	35,020,059	261
	May 31, 2013	2,717,758	214
	June 30, 2013	40,745,660	184
	July 14, 2013	35,323,779	170
	July 31, 2013	11,747,837	153
	August 31, 2013	13,443,152	122
	September 30, 2013	47,253,207	92
	October 14, 2013	35,820,046	78
	October 31, 2013	66,281,443	61
	November 30, 2013	85,374,841	31
Financial institution	May 15, 2012	161,921,539	595
	November 15, 2012	193,874,263	411
	March 31, 2013	185,491	275
	April 30, 2013	1,258,371	245
	May 15, 2013	255,842,572	230
	May 31, 2013	1,560,150	214
	June 30, 2013	2,843,718	184
	July 31, 2013	4,625,358	153
	August 31, 2013	4,625,358	122
	September 30, 2013	4,476,154	92
	October 31, 2013	4,742,574	61
	November 15, 2013	263,055,179	46
	November 30, 2013	5,954,404	31

(v) Corporate debt restructuring scheme

(a) In the previous year, the Group Company and one of the subsidiary company, Helios Photo Voltaic Limited ("HPVL") (formerly known as Moser Baer Photo Voltaic Limited) accounted for Corporate Debt Restructuring Scheme (hereafter referred to as "the CDR Scheme") (reclassifications and interest calculations) in the books for the year ended March 31, 2013. As per the CDR scheme, the Parent and HPVL recorded amounts receivable from banks on account of installment paid prior to implementation of the scheme, excess interest paid by the parent and HPVL and release of additional limits as per the scheme. As of December 31, 2013, a total of Rs. 855,841,627 in case of MBIL and Rs. 219,366,300 in case of HPVL is outstanding to be received from banks. Recovery of this balance is subject to completion of reconciliation of the CDR scheme adjustments with some of the lender banks. Based on acceptance of management's calculation by certain banks, the management is of the view there will not be any material adjustment to this receivable.

(b) Further, the Corporate Debt Restructuring (CDR) proposals to re-structure existing debt obligations, including interest, additional fundings and other terms of another subsidiary Moser Baer Solar Limited ("MBSL"), having January 1, 2012 as the cut-off date, were approved by the CDR Cell vide its Letter of Approval (LOA) dated March 18, 2013.

Subsequently on execution of the Master Restructuring Agreement (MRA)/ other definitive documents (except for one bank) by MBSL on March 28, 2013 and also upon fulfillment of necessary conditions precedent post March 31, 2013, MBSL accounted for CDR scheme (reclassifications and interest calculations) in the financial statements for the period ended December 31, 2013 (except for owings to one lender bank) as follows, which are subject to reconciliation and approval by the lenders banks:

- The short-term borrowings comprising cash credit and other working capital limits amounting to Rs. 1,470,300,000 have been reclassified as Working Capital Long-Term Loan (WCTL) including current maturities of Rs. 54,761,250.
- The existing term loans of Rs. 5,513,423,810 has been classified as long-term borrowings including current maturities of Rs. 456,406,078.
- The interest due w.e.f. January 1, 2012 till December 31, 2013 at revised rates amounting to Rs. 1,275,971,450 has been converted into Funded Interest Term-Loan (FITL) including current maturities amounting to Rs. 48,600,000.

From the "cut- off date" of the Company, the interest on the restructured debts has been recomputed and provided at the effective interest rates as per the package on the balances as appearing in the books of account pending confirmations from various lenders. Accordingly, interest reversal of Rs. 331,510,604 pertaining to period from cut-off date to March 31, 2013 has been shown as exceptional item during the period.

(c) The borrowers and the CDR lenders executed a MRA during the previous year. The MRA as well as the provisions of the Master Circular on corporate debt restructuring issued by the Reserve Bank of India, give a right to the CDR lenders to get a recompense of their waivers and sacrifices made as part of the CDR proposal. The recompense payable by the borrowers is contingent on various factors including improved performance of the borrowers and many other conditions, the outcome of which currently is materially uncertain and hence the proportionate amount payable as recompense has been treated as a contingent liability. The aggregate present value of the sacrifice made/ to be made by CDR lenders as per the MRA is approximately Rs. 399.39 crores for the Group.

10 Other long-term liabilities

Particulars	As at December 31, 2013	As at March 31, 2013
Deferred government grant (refer note below)	35,000,000	35,000,000
Security deposits	12,605,250	12,595,250
Retention money	9,113,282	2,210,731
Lease equalisation reserve	44,535,208	37,647,449
VAT and CST payable	780,191	780,191
Total	**102,033,931**	**88,233,621**

Note:

Ministry of New and Renewable Energy of the Government of India, as part of its Jawaharlal Nehru Nation Solar Mission 2010 sanctioned a Research and Development ('R&D') grant to the Company for its project 'Development of CIGS solar cell pilot plant to achieve grid parity solar cells'. One of the objectives of the grant is to develop low cost solar cell module with an aim to meet grid parity by using Cu(InGa)Se2 solar cells. During the FY 2010-11, the Company received R&D grant of Rs. 35,000,000 out of the total grant of Rs. 71,050,000 being 50 % of the total project equipment cost of Rs. 142,100,000. Pending acquisition of the equipment, the grant received has been disclosed in the financial statements as 'Government Grant' which shall be adjusted to the cost of specific fixed assets.

11 Long-term provisions

Particulars	As at December 31, 2013	As at March 31, 2013
Provision for employee benefits		
- Gratuity	181,858,592	172,589,480
- Compensated absences	86,815,210	94,427,191
- Key resource bonus and deferred salary	185,859	16,691,727
- Provision for pension for overseas subsidiary	-	30,656,250
Others		
- Provision for warranty (refer note below)	234,378,407	214,846,533
Total	**503,238,068**	**529,211,181**

Note:

The movement in provision for warranty from beginning to end of the reporting period is as follows:

Particulars	Period ended December 31, 2013	Year ended March 31, 2013
Balance at the beginning of the period/ year	214,846,533	202,349,429
Add: Accruals during the period/ year	19,908,407	12,497,104
Less: Utilised/ written back during the period/ year	(376,533)	-
Balance at the end of the period/year	**234,378,407**	**214,846,533**

Warranty provision relate to the estimated outflow in respect of warranty for products sold by the subsidiaries. Due to very nature of such costs, it is not possible to estimate the timing/uncertainties relating to their outflows as well as expense from such estimates.

12 Short-term borrowings

Particulars	As at December 31, 2013	As at March 31, 2013
Secured		
(a) Short-term loans from banks		
- Secured by hypothecation of existing and future current assets and further by way of second charge on fixed assets	486,419,732	11,943,827
- Secured by lien on fixed deposits from banks	613,800	46,005,052
(b) Working capital and cash credit facilities		
- Working capital facilities	6,810,384,734	3,951,840,022
- Cash credit	1,555,342,204	5,431,717,420
Total	**8,852,760,470**	**9,441,506,321**

Notes:

Short-term borrowing outstanding as at December 31, 2013 to the extent of Rs. 6,810,427,520 are further secured by:

1. Pledge of 100% shareholding of the promoters of the Company.
2. Personal guarantee of Mr. Deepak Puri and Mrs. Nita Puri.
3. Negative lien on land of Moser Baer Infrastructure and Developers Limited (a subsidiary of the Company) at Chennai on pari-passu basis.
4. Corporate guarantee of Moser Baer Infrastructure and Developers Limited (subsidiary of the Company that owns the rights to the Chennai land).
5. Pledge of shares of Moser Baer Infrastructure and Developers Limited (a subsidiary of the Company).

13 Trade payables

Particulars	As at December 31, 2013	As at March 31, 2013
Acceptances	854,745,146	1,002,591,556
Trade creditors		
- Total outstanding dues of micro, small and medium enterprises	72,777,339	70,811,218
- Total outstanding dues of creditors other than micro, small and medium enterprises	1,178,109,252	1,519,654,696
Total	**2,105,631,737**	**2,593,057,470**

14 Other current liabilities

Particulars	As at December 31, 2013	As at March 31, 2013
Current maturities of:		
- Long-term debt (refer note 9)	4,320,860,370	4,254,892,542
- Foreign currency convertible bonds (refer note 47 (a))	5,471,955,000	4,805,107,500
- Premium on redemption of foreign currency convertible bonds (refer note 47(c))	2,032,527,592	1,784,830,756
Interest accrued but not due on borrowings	7,917,679	18,690,801
Interest accrued and due on borrowings	665,766,472	759,530,742
Income received in advance	191,199,630	75,558,867
Unpaid dividend	2,940,573	3,302,623
Amount received from banks under corporate debt restructuring scheme	-	1,232,403,180
Others:		
- Capital creditors	294,687,049	185,780,746
- Employee dues	156,753,511	233,540,168
- Security deposits	2,882,951	3,272,951
- Statutory dues	115,673,579	122,445,046
- Retention money	45,139,930	52,172,480
- Deferred payment liabilities	152,896,800	152,896,800
- Book overdraft	121,591,990	84,934,367
- Others payables	28,773,856	42,967,348
Total	**13,611,566,982**	**13,812,326,917**

15 Short-term provisions

Particulars	As at December 31, 2013	As at March 31, 2013
Provision for employee benefits		
- Gratuity	755,920	3,916,920
- Compensated absences	16,216,774	12,913,085
- Key resource bonus and deferred salary (refer note (i) below)	8,417,852	19,827,329
Others		
- Provision for taxation	697,019	1,883,281
- Provision for warranty (refer note (ii) below)	24,615,067	23,784,300
- Provision for other probable obligations (refer note (iii) below)	439,212,610	412,503,835
- Provision for redemption of foreign currency convertible bonds (refer note 47(c))	1,144,052,106	614,887,903
Total	**1,633,967,348**	**1,089,716,653**

The following is the movement in provisions from beginning to the end of the reporting period:

(i) Provision for key resource bonus and deferred salary

Particulars	Period ended December 31, 2013	Year ended March 31, 2013
Balance at the beginning of the period/year	36,519,056	61,832,576
Add: Accruals for the period/ year	20,924,050	26,998,821
Less: Provisions utilised/written back during the period/ year	48,839,395	52,312,341
Balance at the end of the period/year	8,603,711	36,519,056
Disclosed under long-term provisions (refer note 11)	185,859	16,691,727
Disclosed under short-term provisions (refer note 15)	8,417,852	19,827,329
	8,603,711	**36,519,056**

(ii) Warranty

Particulars	Period ended December 31, 2013	Year ended March 31, 2013
Balance at the beginning of the period/ year	23,784,301	5,847,477
Add: Accruals for the period/ year	2,247,485	22,585,729
Less: Provisions utilised/written back during the period/ year	(1,416,719)	(4,648,905)
Balance at the end of the period/year	**24,615,067**	**23,784,301**

Warranty provision relate to the estimated outflow in respect of warranty for products sold by the Company. Due to the nature of such costs, it is not possible to estimate the timing/uncertainties relating to their outflows as well as expense from such estimates

(iii) Other probable obligations

Particulars	Period ended December 31, 2013	Year ended March 31, 2013
Balance at the beginning of the period/ year	412,503,835	377,054,006
Add: Accruals for the period/ year	26,708,775	35,449,829
Less: Provisions utilised/written back during the period/ year	-	-
Balance at the end of the period/ year	**439,212,610**	**412,503,835**

Probable obligations provision relates to the estimated outflow in respect of possible liabilities expected to arise in future. As per notification no. 22/2006 of Central Excise, the Company has to pay additional custom duty on its local sales, if the goods sold are exempted from payment of sales tax or value added tax. One of the units of the Company is exempt from payment of local sales tax and hence the department has disputed the same and demanded the duty on the sale of such goods. The Company has recorded the liability for the amount demanded and is accruing the interest on the same quarterly. Due to very nature of such costs, it is not possible to estimate the timing / uncertainties relating to their outflows as well as expense from such estimates, hence considered as short-term in nature.

16 Fixed assets

Particulars	Gross block				Accumulated depreciation and amortisation				Accumulated Impairment			Net block	
	Balance as at April 1, 2013	Additions	Deletions	Balance as at December 31, 2013	Balance as at April 1, 2013	Charge for the period	Adjustment upon deletions	Balance as at December 31, 2013	Balance as at April 1, 2013	Charges for the period	Balance as at December 31, 2013	Balance as at December 31, 2013	Balance as at March 31, 2013
Tangible assets													
Leasehold land	581,797,958	-	-	581,797,958	44,797,404	4,604,019	-	49,401,423	-	-	-	532,396,535	537,000,554
Building	4,826,137,231	-	-	4,826,137,231	1,260,308,549	120,936,947	-	1,381,245,496	-	-	-	3,444,891,735	3,565,828,682
Leasehold improvements	49,008,573	-	4,096,045	44,912,528	35,217,343	813,778	3,064,364	32,966,757	-	1,989,880	1,989,880	9,955,891	13,791,230
Plant and equipments	55,550,351,348	323,820,553	37,233,060	55,836,938,841	38,057,949,312	2,062,147,619	26,887,580	40,093,209,351	9,672,380	1,133,832,574	1,143,504,954	14,600,224,536	17,482,729,656
Furniture and fixtures	202,484,827	102,895	995,163	201,592,559	106,548,880	8,304,697	893,257	113,960,320	261,345	847,830	1,109,175	86,523,064	95,674,602
Office equipments	125,784,689	3,193,427	107,884	128,870,232	52,952,294	4,251,580	107,884	57,095,990	810,178	1,086,122	1,896,300	69,877,942	72,022,217
Computers	240,817,189	4,005,948	419,300	244,403,837	203,402,918	13,050,663	419,300	216,034,281	69,387	145,091	214,478	28,155,078	37,344,884
Vehicles	24,088,844	-	-	24,088,844	15,564,055	1,446,798	-	17,010,853	-	42,554	42,554	7,035,437	8,524,789
Sub total	**61,600,470,659**	**331,122,823**	**42,851,452**	**61,888,742,030**	**39,776,740,755**	**2,215,556,101**	**31,372,385**	**41,960,924,471**	**10,813,290**	**1,137,944,051**	**1,148,757,341**	**18,779,060,218**	**21,812,916,614**
Previous year	(61,357,231,698)	(299,981,648)	(56,742,687)	(61,600,470,659)	(36,031,237,361)	(3,787,713,498)	(42,210,104)	(39,776,740,755)	(10,813,290)	-	(10,813,290)	(21,812,916,614)	
Intangible assets													
Computer software	112,151,038	6,654,083	6,200	118,798,921	89,035,015	11,080,699	20,119	100,095,595	-	815,949	815,949	17,887,377	23,116,023
Copyrights, and patents and other intellectual property rights, services and operating rights	3,437,882,370	943,819	-	3,438,826,189	2,737,621,557	194,821,999	-	2,932,443,556	44,623,358	-	44,623,358	461,759,275	655,637,455
Goodwill on consolidation	743,169,473	-	-	743,169,473	-	-	-	-	-	81,677,437	81,677,437	661,492,036	743,169,473
Sub total	**4,293,202,881**	**7,597,902**	**6,200**	**4,300,794,583**	**2,826,656,572**	**205,902,698**	**20,119**	**3,032,539,151**	**44,623,358**	**82,493,386**	**127,116,744**	**1,141,138,688**	**1,421,922,951**
Previous year	(4,144,318,536)	(153,196,275)	(4,311,930)	(4,293,202,881)	(2,530,303,163)	(299,119,725)	(2,766,316)	(2,826,656,572)	(44,623,358)	-	(44,623,358)	(1,421,922,951)	

Notes:

1. Additions to plant and machinery include exchange loss of Rs. 200,577,645 (previous year exchange loss of Rs. 212,428,750).
2. Gross block of fixed assets include Rs. 4,272,912,638 (previous year Rs. 4,272,912,638) relating to the SEZ division of the Company.

17 Non current investments

Particulars	As at December 31, 2013	As at March 31, 2013
Trade investments		
(a) Investment in equity instruments	575,525,316	575,525,316
(b) Investment in preference shares	1,381,978,077	1,381,978,077
	1,957,503,393	1,957,503,393
Less: Provision for diminution in the value of investments	(1,949,428,442)	(1,949,428,442)
Total	8,074,951	8,074,951

Details of trade investments (valued at cost)

Particulars	As at December 31, 2013		As at March 31, 2013	
(a) Investment in unquoted equity instruments				
Investment in associates:				
Moser Baer Infrastructure Limited				
3,430,000 (previous year 3,430,000) equity shares of Rs. 10 each	34,300,000		34,300,000	
Less: Provision for diminution in the value of investment	(34,300,000)	-	(34,300,000)	-
Global Data Media FZ-LLC				
7,194 (previous year 7,194) equity shares of AED 1000 each	92,532,185		92,532,185	
Less: Provision for diminution in the value of investment	(92,532,185)	-	(92,532,185)	-
Others:				
Moser Baer Projects Private Limited		5,100,000		5,100,000
510,000 (previous year 510,000) equity shares of Rs. 10 each				
Lumen Engineering Private Limited		1,020,000		1,020,000
102,000 (previous year 102,000) equity shares of Rs. 10 each				
CAPCO Luxemburg S.A.R.L				
1 (previous year 1) equity share of Euro 125 each		4,961		4,961
Bensimon Limited				
20 (previous year 20) equity shares of Euro 1 each		1,382		1,382
KMG Digital Limited				
196 (previous year 196) class A ordinary shares of Euro 1 each		1,320,264		1,320,264
Solaria Corporation				
7,779,117 (previous year 7,779,117) common stock of USD 0.001 each	395,247,847		395,247,847	
Less: Provision for diminution in the value of investment	(395,247,847)	-	(395,247,847)	-
Solaria Corporation				
815,092 (previous year 815,092) Class B common stock of USD 0.001 each	45,998,677		45,998,677	
Less: Provision for diminution in the value of investment	(45,998,677)	-	(45,998,677)	-
Total (A)		7,446,607		7,446,607

Particulars	As at December 31, 2013		As at March 31, 2013	
(b) Investments in unquoted preferred stock				
CAPCO Luxemburg S.A.R.L				
63,366 (previous year 63,366) preferred equity certificates of Euro 125 each	320,668,823		320,668,823	
Less: Provision for diminution in the value of investment	(320,668,823)	-	(320,668,823)	-
Stion Corporation				
1,000,000 (previous year 1,000,000) shares of series A preferred stock of USD 0.0001 each	45,302,150		45,302,150	
Stion Corporation				
82,912 (previous year 82,912) shares of series B-2 preferred stock of USD 0.0001 each	7,693,234		7,693,234	
Stion Corporation				
82,912 (previous year 82,912) shares of series B-1 preferred stock of USD 0.0001 each	12,241,163		12,241,163	
	65,236,547		65,236,547	
Less: Provision for diminution in the value of investment	(65,236,547)	-	(65,236,547)	-
Solfocus Inc				
7,000,000 (previous year 7,000,000) shares of series A preferred stock of USD 0.0001 each	327,047,185		327,047,185	
Less: Provision for diminution in the value of investment	(327,047,185)	-	(327,047,185)	-
Solfocus Inc				
4,950,495 (previous year 4,950,495) shares of series B preferred stock of USD 0.0001 each	410,660,000		410,660,000	
Less: Provision for diminution in the value of investment	(410,660,000)	-	(410,660,000)	-
Solfocus Inc				
7,000,000 (previous year 7,000,000) shares of series A preferred stock of USD 0.0001 each	327,047,185		327,047,185	
Less: Exchange fluctuation arising on consolidation	-		-	
Less: Provision for diminution in the value of investment	(327,047,185)	-	(327,047,185)	-
Solfocus Inc				
4,950,495 (previous year 4,950,495) shares of series B preferred stock of USD 0.0001 each	410,660,000		410,660,000	
Less: Provision for diminution in the value of investment	(410,660,000)	-	(410,660,000)	-
Solfocus Inc				
2,178,649 (previous year 2,178,649) shares of series C preferred stock of USD 0.0001 each	245,340,000		245,340,000	
Less: Provision for diminution in the value of investment	(245,340,000)	-	(245,340,000)	-
Skyline Solar Inc.				
482,250 (previous year 482,250) shares of series A preferred stock of USD 0.5384 each	13,025,522		13,025,522	
Less: Provision for diminution in the value of investment	(12,397,178)	628,344	(12,397,178)	628,344
Total (B)		628,344		628,344
Total (A+B)		8,074,951		8,074,951

18 Long term loans and advances

Particulars	As at December 31, 2013	As at March 31, 2013
Capital advances		
- unsecured considered good	129,221,430	122,420,032
- unsecured considered doubtful	62,601,559	61,396,260
Less: Allowance for doubtful advances	(62,601,559)	(61,396,260)
	129,221,430	**122,420,032**
Advance to suppliers (refer note 37(b))	-	1,509,764,110
Security deposits	105,622,436	103,715,509
Prepaid expenses	428,180	1,028,600
Prepaid taxes	108,177,669	176,784,872
Loans to others	101,560,931	81,460,752
Balance with government authorities	129,522,404	145,414,421
Others		
- unsecured considered good	7,308,563	7,412,721
- unsecured considered doubtful	1,631,509	1,399,509
Less: Allowance for doubtful advances	(1,631,509)	(1,399,509)
	7,308,563	7,412,721
Total	**581,841,613**	**2,148,001,017**

19 Other non-current assets

Particulars	As at December 31, 2013	As at March 31, 2013
Long-term trade receivables		
- Unsecured and considered good	15,952,563	14,137,852
Fixed deposits under lien	174,832,015	68,922,155
Lease equalisation account	39,236,400	35,974,260
Total	**230,020,978**	**119,034,267**

20 Inventories

Particulars	As at December 31, 2013	As at March 31, 2013
Raw materials and components	659,749,555	977,260,238
Goods-in-transit	122,260,284	114,762,444
Work-in-progress	2,133,713,469	2,112,003,374
Finished goods	1,946,921,044	1,649,226,621
Stock-in-trade	26,560,847	158,442,101
Goods-in-transit	26,348,586	160,582
Stores and spares	1,000,695,670	1,068,662,393
Goods-in-transit	322,590	4,333,484
Loose tools	5,663,928	5,747,953
Others		
Packing material	122,719,138	140,074,839
Goods-in-transit	48,360,347	26,898,691
Film under production	-	27,954,978
Rights of films	6,275,644	53,454,246
Total	**6,099,591,102**	**6,338,981,944**

21 Trade receivables

Particulars	As at December 31, 2013	As at March 31, 2013
Trade receivables outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	17,283,431	13,929,199
Unsecured, considered good	1,946,949,225	861,585,473
Unsecured, considered doubtful	248,047,392	375,116,388
Less: Provision for doubtful debts	(248,047,392)	(375,116,388)
	1,964,232,656	**875,514,672**
Other debts		
Secured, considered good	-	153,804,439
Unsecured, considered good	539,837,045	1,484,196,938
	539,837,045	1,638,001,377
Total	**2,504,069,701**	**2,513,516,049**

22 Cash and bank balances

Particulars	As at December 31, 2013	As at March 31, 2013
Cash and cash equivalents		
Cheques and drafts on hand	3,958,743	138,741,122
Cash on hand	2,412,007	3,609,006
Money in transit	1,131,582	46,186,520
Bank balances in:		
- Current accounts	311,417,228	624,327,824
Deposits with less than 3 months maturity	80,203,280	87,337,059
	399,122,840	**900,201,531**
Other bank balances		
Unpaid dividend accounts	2,940,574	3,302,624
Bank deposits with more than 3 months but less than 12 months maturity	39,660,093	401,265,418
Margin money	655,012,544	462,526,010
	697,613,211	**867,094,052**
Total	**1,096,736,051**	**1,767,295,583**

23 Short-term loans and advances

Particulars	As at December 31, 2013	As at March 31, 2013
Loans and advances to related parties		
Unsecured, considered good	5,971,413	6,054,884
Others		
- Advances to suppliers		
- Considered good	2,147,378,119	834,155,481
- Considered doubtful	18,379,426	14,829,461
Less: Provision for doubtful advances	(18,379,426)	(14,829,461)
- Security deposits	25,578,328	37,229,780
- Prepaid expenses	81,530,305	73,839,380
- Balance with government authorities	343,226,941	339,189,584
- Advances to employees	16,678,903	16,453,818
- Amount due from a director (refer note below)	827,579	16,081,627
-Prepaid taxes	25,355,835	3,465,083
- Others	36,797,022	98,217,993
Unsecured, considered doubtful		
- Other recoverables	269,178,746	78,661,272
Less: Provision for doubtful recoverables	(269,178,746)	(78,661,272)
	2,677,373,032	1,418,632,746
Total	2,683,344,445	1,424,687,630

Amount due from a director as at March 31, 2013 represents remuneration paid to the Managing Director in excess of Schedule XIII of Companies Act, 1956 for the period September 1, 2011 to March 31, 2013, for which the Company had filed an application with the Central Government for post facto approval. During the current period, the Company has received the approval for annual remuneration of Rs. 14,758,620. As a result, an amount of Rs. 13,598,867 included in balance recoverable as at March 31, 2013 has been charged to the statement of profit and loss during the period and the remaining balance will be recovered from the director in six equal installments. The Company has recovered four installments in the current period and the balance amount represents the remaining two pending installments.

24 Other current assets

Particulars	As at December 31, 2013	As at March 31, 2013
Interest accrued on fixed deposits	27,990,774	25,304,276
Lease rent equalisation	1,466,640	-
Recoverable from banks under corporate debt restructuring scheme (refer note 9(v))	1,196,742,992	1,553,757,531
Others	19,342,764	13,550,427
Total	1,245,543,170	1,592,612,234

25 Revenue from operations

Particulars	Period ended December 31, 2013	Year ended March 31, 2013
Sale of products (refer note below)		
-Finished goods	11,375,092,877	16,581,877,197
-Traded goods	34,132,011	29,364,358
	11,409,224,888	**16,611,241,555**
Sale of services - solar installation	**21,544,203**	**206,578,620**
Other operating revenues:		
Scrap sales	54,180,621	70,821,176
Old liabilities and provisions no longer required written back	149,774,564	112,565,157
Export benefits - focused product scheme	102,474,729	193,831,566
Others	104,625,899	157,391,816
	411,055,813	**534,609,715**
Total	**11,841,824,904**	**17,352,429,890**

Note:

(i) Details of sales	Period ended December 31, 2013	Year ended March 31, 2013
Finished goods		
Optical media products	8,566,235,002	13,600,972,936
Pen drives and cards	499,972,915	817,745,205
Solar cell	21,341,975	18,938,726
Module	1,736,340,843	1,227,063,091
Thin Film	23,318,577	427,001
Wafer	-	65,762,631
Content aggregation & syndication	5,817,928	30,306,840
Electricity	123,005,650	146,832,366
Others	399,059,987	673,828,401
	11,375,092,877	**16,581,877,197**
Traded goods		
Sale of LED and other products	34,132,011	29,364,358
Total	**11,409,224,888**	**16,611,241,555**

26 Other income

Particulars	Period ended December 31, 2013	Year ended March 31, 2013
Interest income		
On deposits with banks	66,087,185	88,257,440
On income tax refunds	2,321,704	3,972,340
Other non-operating income		
Gain on foreign currency transactions (net)	393,181,832	432,816,618
Lease rent	47,253,780	63,005,040
Profit on sale of fixed assets (net)	-	8,254,713
Prior period income (refer note 39)	13,010,061	92,836,198
Other miscellenous income	3,184,799	43,100,551
Total	**525,039,361**	**732,242,900**

27 Cost of materials consumed

Particulars	Period ended December 31, 2013	Year ended March 31, 2013
Raw materials consumed (refer note below)	5,250,309,835	7,129,462,889
Packing materials consumed	853,633,856	1,287,029,819
Total	6,103,943,691	8,416,492,708

Note:

Details of major components of raw materials consumed is as follows:

Particulars	Period ended December 31, 2013	Year ended March 31, 2013
(i) For storage media products		
Polycarbonate	2,661,092,042	3,456,071,854
Silver	414,556,187	820,448,778
Others	1,118,579,341	1,933,830,856
(ii) For cells		
Silicon wafers	3,271,594	5,487,428
Metallic pastes	635,444	-
Others	10,866	-
(iii) For modules		
Multi cells	770,927,762	645,911,388
Back sheet	73,679,216	73,668,819
Aluminium frames	82,937,570	61,841,555
Glass	22,703,736	58,785,624
Others	101,424,522	73,416,587
(iv) For thin films		
Others	491,555	-
Total	5,250,309,835	7,129,462,889

28 Purchase of stock-in-trade

Particulars	Period ended December 31, 2013	Year ended March 31, 2013
Purchase of LED products	5,459,328	14,363,076
Purchase of compact disc recordable	3,958,416	86,031,274
Wafer	480,000	10,929,741
Balance of systems	90,712,192	277,876,654
Modules	424,566,432	603,525
Solar cells	24,122,554	31,580,910
Others	23,726,107	64,159,902
Total	573,025,029	485,545,082

29 Changes in inventories of finished goods, stock-in-trade and work-in-progress

Particulars	Period ended December 31, 2013	Year ended March 31, 2013
Closing stock		
Finished goods	1,946,977,292	1,649,226,621
Traded goods (including rights of films)	59,185,077	212,056,929
Work-in-progress	2,133,713,469	2,112,003,374
	4,139,875,838	**3,973,286,924**
Less: Opening stock		
Finished goods	1,649,226,621	2,028,075,329
Traded goods (including rights of films)	212,056,929	317,848,727
Work-in-progress	2,112,003,374	2,022,939,792
	3,973,286,924	**4,368,863,848**
Excise duty on finished goods	(8,008,389)	3,834,473
Total	**(158,580,525)**	**391,742,451**

30 Employee benefit expenses

Particulars	Period ended December 31, 2013	Year ended March 31, 2013
Salaries, wages and bonus	1,347,376,441	2,148,406,426
Contributions to:		
- Provident fund & employees state insurance	70,988,118	112,716,851
- Gratuity fund	21,096,250	53,149,695
- Pension scheme in overseas subsidiaries	16,807,177	70,763,450
Social security and other benefit plans for overseas employees	4,877,555	7,394,742
Staff welfare	117,552,694	165,136,400
Total	**1,578,698,235**	**2,557,567,564**

31 Finance costs

Particulars	Period ended December 31, 2013	Year ended March 31, 2013
Interest expense	3,197,156,593	3,945,726,538
Other borrowing costs	-	16,963,644
Total	**3,197,156,593**	**3,962,690,182**

32 Depreciation, amortisation and impairment

Particulars	Period ended December 31, 2013	Year ended March 31, 2013
Depreciation on tangible assets	2,215,556,101	3,787,713,498
Amortisation on intangible assets	205,902,699	299,119,725
Impairment on intangible assets and intangible assets under development	188,473,711	-
Impairment on tangible assets	1,137,944,051	-
Impairment of goodwill	81,677,437	-
Total	**3,829,553,999**	**4,086,833,223**

33 Other expenses

Particulars	Period ended December 31, 2013	Year ended March 31, 2013
Consumption of stores and spare parts	287,907,885	492,622,368
Power and fuel	1,397,681,497	1,932,272,099
Freight and forwarding	223,128,022	319,726,470
Royalty	190,041,208	789,232,289
Commission on sales	51,642,389	17,350,296
Rent	148,028,223	181,869,844
Repair and maintence		
- Buildings	1,037,732	1,117,458
- Machinery	20,005,397	45,981,983
- Others	26,649,618	34,919,245
Insurance	89,155,001	143,496,330
Director's sitting fees	1,776,591	3,107,307
Rates and taxes	3,659,396	12,387,843
Provision for doubtful debtors	106,037,211	55,744,398
Travelling and conveyance	74,279,528	140,315,708
Legal and professional	166,755,644	319,433,449
Warranty expenses	23,557,977	56,551,914
Provision for doubtful advances	9,349,527	63,104,015
Loss on cancellation of forward contracts (net)	55,255,129	324,065,838
Bad debts	256,867,980	2,866,279
Advances written off	1,843,891	60,130
Research and development expenses	44,280,465	43,766,147
Advertisement and business promotion	27,977,194	74,094,054
Outsourced staff cost	163,250,322	234,770,524
Provision for films under production	27,954,978	10,045,546
Provision for slow moving stock	170,223,847	-
Loss on sale of fixed assets (net)	1,128,935	-
Bank charges	73,050,583	117,416,846
Others	204,888,515	478,300,435
Total	**3,847,414,685**	**5,894,618,815**

34 Exceptional items

Particulars	Period ended December 31, 2013	Year ended March 31, 2013
Exchange differences on foreign currency convertible bonds/ advance to suppliers	(37,101,397)	-
Advances and other receivables written off	(41,804,279)	-
Provision for doubtful advances	(204,948,341)	-
Refund of interest of prior period under corporate debt restructuring	331,510,604	233,193,729
Diminution in value of investments*	-	(593,327,997)
Total	**47,656,587**	**(360,134,268)**

* Provision for diminution of Rs. Nil (previous year Rs. 593,327,997) of investment in three technology companies based on management assessment performed as at March 31, 2013, which in the view of the management represents other than temporary diminution in the value of investments.

35 Subsidiaries and associates

The consolidated financial statements comprise the results of the Parent, Moser Baer India Limited (MBIL), its subsidiaries and associates.

(a) Subsidiaries:

The particulars of subsidiaries considered in the consolidated financial statements are as under :

Names of subsidiaries	Country of incorporation	% of ownership
European Optic Media Technology GMBH	Germany	100%
Helios Photo Voltaic Limited (formerly known as Moser Baer Photo Voltaic Limited)	India	100%
Moser Baer Solar Limited	India	100%
Moser Baer SEZ Developer Limited	India	100%
Advoferm Limited	Cyprus	100%
Peraround Limited	Cyprus	100%
Perafly Limited	Cyprus	100%
Nicofly Limited	Cyprus	100%
Perasoft Limited	Cyprus	100%
Dalecrest Limited	Cyprus	100%
Moser Baer Entertainment Limited	India	100%
Moser Baer Laboratories Limited	India	100%
Solar Research Limited	India	100%
Crownglobe Limited	Cyprus	100%
OM&T B.V.*	Netherlands	100%
Moser Baer Investments Limited	India	100%
Photovoltaic Holdings Limited	Isle of Man	100%
Cubic Technologies B.V.	Netherlands	100%
Moser Baer Infrastructure and Developers Limited	India	100%
MB Solar Holdings Limited	Isle of Man	100%
Tifton Limited	Isle of Man	100%
Moser Baer Technologies Inc.	USA	100%
Moser Baer Photovoltaic Inc.	USA	100%
Value Solar Energy Private Limited	India	100%
Admire Energy Solutions Private limited	India	100%
Moser Baer Solar Systems Private Limited	India	100%
Competent Solar Energy Private Limited	India	100%
Pride Solar Systems Private Limited	India	100%

* Declared as insolvent from October 1, 2013

(b) Associates:

The particulars of associates considered in the CFS are as under :

Names of associates	Country of incorporation	% of ownership
Global Data Media FZ LLC	Dubai, United Arab Emirates	49%
Moser Baer Infrastructure Limited	India	26%
Solarvalue Proizvodnja d.d. (under liquidation)	Slovenia	40%

(c) Particulars of investment in associates:

Particulars	Moser Baer Infrastructure Limited		Global Data Media FZ LLC	
	As at December 31, 2013	As at March 31, 2013	As at December 31, 2013	As at March 31, 2013
Cost of investment	34,300,000	34,300,000	92,532,185	92,532,185
Carrying value of the investment at the beginning of the perod/ year	-	-	-	-
Investment made during the period/year	-	-	-	-
Add: Share of post acquisition (loss)/ profits (net)	-	-	-	-
Less: Value of investments impaired	-	-	-	-
Carrying value at the end of the period/year	-	-	-	-

Pursuant to Accounting Standard - 23 on Accounting for Investments in Associates in the Consolidated Financial Statements, investment in Moser Baer Infrastructure Limited and Global Data Media FZ LLC has been reported at Rs. Nil (previous year Rs. Nil) as the share of losses of the associate exceeds the carrying amount of investments as at the balance sheet date.

36 Contingent liabilities

(a) Particulars	As at December 31, 2013	As at March 31, 2013
Bank guarantees issued *	76,380,523	168,217,893
Recompense amount payable in lieu of bank sacrifice (mandatory disclosure as per RBI)	1,918,595,862	1,049,565,084

* The amount shown above represent guarantees given in the normal course of the Group's operations and are not expected to result in any loss to the Group on the basis of the beneficiary fulfilling its ordinary commercial obligations.

(b) Disputed demands (gross) in respect of:	As at December 31, 2013	As at March 31, 2013
Entry tax [Amount paid under protest Rs. 11,928,443 (previous year Rs. 10,354,421) paid through bank guarantees Rs.15,558,616 (previous year Rs. 10,919,501)]	137,531,606	135,623,048
Service tax [Amount paid under protest Rs. 2,953,470 (previous year Rs. 2,953,470)]	695,928,194	367,384,719
Sales tax [Amount paid under protest Rs. 18,454,494 (previous year Rs. 17,010,790) bank and other guarantees furnished Rs. 104,723,040 (previous year Rs. 26,382,617)]	170,281,883	127,173,220
Custom duty and excise duty (including penalties) [Amount paid under protest Rs. 5,805,819 (previous year Rs. 5,796,635)]	543,349,313	527,676,009
Income tax [Amount paid under protest Rs. 34,500,000 (previous year Rs. 34,500,000)]	115,689,581	112,775,091
Total	1,662,780,577	1,270,632,087

(c) Claims against the Group not acknowledged as debt Rs. 345,900 (previous year Rs. Nil)

(d) Letters of credit opened by banks on behalf of the Group: Rs. 244,331,479 (previous year Rs. 356,269,994).

The amounts shown in (b) and (c) above represent the best possible estimates arrived at on the basis of available information. The uncertainties and possible reimbursements are dependent on the outcome of the different legal processes which have been invoked by the Group or the claimants as the case may be and therefore cannot be estimated accurately. The Group engages reputed professional advisors to protect its interests and has been advised that it has strong legal positions against such disputes.

37 Capital commitments

(a) Estimated value of contracts remaining to be executed on capital account and not provided for (net of advances): Rs. 193,385,342 (previous year Rs. 191,306,155).

(b) Considering the shortage of high-purity poly-silicon wafers, the most important raw material in the crystalline-silicon segment of the photovoltaic solar-industry, Helios Photo Voltaic Limited (formerly known as Moser Baer Photo Voltaic Limited) entered into long-term fixed-price contracts in 2007 and 2008 for their purchase from two wafer suppliers. Considering the revised economics of the solar industry, the company had negotiated with such wafer suppliers with regard to its quantity, price and delivery commitments to the current market situation. Consequently:

(i) In the case of a wafer supplier, the Company has made efforts to re-negotiate contract. After a number of such attempts, the Company has terminated the contract and called on bank guarantee which was encashed during FY 2011-12. The Company also called on two more bank guarantees, which were challenged by the vendor in international courts. The vendor has meanwhile raised a claim amounting to Rs. 1,073,400,392 (previous year Rs. 1,073,400,392) on the Company which has not been acknowledged as debt. Based on legal advice and the facts as stated above, the Company believes that no provision is necessary in the financial statements as on December 31, 2013.

(ii) As per the terms of agreement dated January 10, 2011, the advance of Rs. 2,139,510,213 (USD 34,614,305) which was secured through a bank guarantee received against the original agreement of 2008 was to be adjusted against future purchases by the Company at an agreed market connected price and the balance was to be refunded back to the Company after 5 years from the date of agreement subject to a 5% adjustment. As per the terms of the "Amendment Agreement", the supplier was to provide an amended bank guarantee which has not been provided, causing therefore, a breach.

During the period, the supplier sought to cancel the bank guarantee that they furnished in 2008 against the advance given to them by the Company. A notice citing the serious nature of the breach was sent to the supplier allowing them 60 days to cure as per the terms of the agreement. Upon expiry of 60 days, the contract has been terminated and a notice invoking the bank guarantee has been served to them through Company's bankers.

Post termination of the contract, the asset classification for the advance has changed to monetary asset and in terms of Accounting Standard 11 - 'The Effects of Changes in Foreign Exchange Rates', it has been re-stated at current foreign currency exchange rate which has resulted in exchange gain of Rs. 629,746,104. A provision of Rs. 209,948,341 has also been made towards 5% potential claim of the supplier for the volume short purchased by the company during prevalence of the agreement.

Based on a legal opinion, management continues to believe that the amount is recoverable and accordingly, no further provision is required to be made in the financial statements.

38 Lease obligations

(a) The Group has entered into operating leases for its offices, guest houses and employee's residences that are renewable on a periodic basis and are cancellable at Group's option. Total lease payments recognised in the consolidated statement of profit and loss Rs. 148,028,223 (previous year Rs. 181,869,844) . The total rent recovered on sub lease Rs. 47,253,780 (previous year Rs. 63,005,040).

(b) The Company and its subisidiary - Moser Baer Entertainment Limited has taken buildings on operating lease. Future lease payments & receivables for the non cancellable lease are given as under:

Particulars	As at December 31, 2013	As at March 31, 2013
Total of future minimum lease payments under non cancellable operating lease for a period	**21,015,919**	**69,542,419**
a. Not later than one year	21,015,919	64,285,067
b. Later than one year but not later than five years	-	5,257,352
c. Later than five years	-	-
Total of future minimum sub-lease rental receivable for non cancellable period of three years:	**18,376,470**	**65,630,250**

39 Prior period income/ (expenses)

Particulars	Period ended December 31, 2013	Year ended March 31, 2013
Excess consumption of previous year reversed	2,857,577	27,491,550
Excess employee benefits expense of previous year reversed	3,353,062	-
Sale of product/ services	6,383,334	66,849,472
Other expenses	(220,242)	(1,535,070)
Miscellaneous income	636,330	30,246
Total	**13,010,061**	**92,836,198**

40 Taxation

Provision for taxation has not been made in the absence of assessable taxable profits as per the Income Tax Act,1961 as of December 31, 2013.

The break up of deferred tax liability/ asset is as under:

Particulars of timing differences	Year ended March 31, 2013	Movement during the period	Period ended December 31, 2013
Deferred tax liability			
Depreciation/ amortisation	497,554,494	(323,932,169)	173,622,325
Provision for lease rent equalisation	2,045,670	(511,416)	1,534,254
	499,600,164	(324,443,585)	175,156,579
Deferred tax assets			
Finance lease	122,682,180	15,840,985	138,523,165
Unabsorbed depreciation/ amortisation	374,872,314	(339,773,154)	35,099,160
Provision for compensated absences and gratuity	2,045,670	(511,416)	1,534,254
	499,600,164	(324,443,585)	175,156,579
Net deferred tax asset	-	-	-

Notes:

1. The tax impact for the above purpose has been arrived at by applying a tax rate of 33.99% (previous year 33.99%) being the prevailing tax rate for Indian companies under the Income Tax Act, 1961.
2. Deferred tax asset has been recognised only to the extent of deferred tax liability.

41 Derivative instruments

The Group uses forward exchange contracts to hedge against its foreign currency exposures relating to the underlying transactions. The Group does not enter into any derivative instruments for trading or speculative purposes.

(a) The forward exchange contracts outstanding as at December 31, 2013 are as under:

Currency exchange	As at December 31, 2013		As at March 31, 2013	
	USD/INR	EUR/INR	USD/INR	EUR/INR
(i) Number of 'buy' contracts	1	-	1	-
(ii) Aggregate amount (foreign currency)	2,499,992	-	2,499,992	-
Aggregate amount (Rs.)	163,336,977	-	142,099,545	-
(iii) Number of 'sell' contracts	2	-	9	1
(iv) Aggregate amount (foreign currency)	1,500,000	-	10,000,000	2,000,000
Aggregate amount (Rs.)	104,700,000	-	562,040,000	148,390,000

(b) The foreign currency exposures not hedged as at period ended December 31, 2013 are as under:

(i) Receivables

Type of currency	As at December 31, 2013		As at March 31, 2013	
	Foreign currency	Rs. value	Foreign currency	Rs. value
USD	88,385,057	5,176,219,983	78,696,555	4,207,752,412
EUR	31,836,519	2,497,024,972	30,825,312	2,055,263,986
GBP	1	145	1	117
NOK	-	-	4,647	43,225
JPY	725,337	425,555	62,030	35,779
SGD	165	8,053	165	7,200
CNY	-	-	3,636	28,206

(ii) Payables

Type of currency	As at December 31, 2013		As at March 31, 2013	
	Foreign currency	Rs. value	Foreign currency	Rs. value
USD	157,345,962	9,549,713,198	146,583,457	7,927,760,631
EUR	18,821,936	1,266,417,829	38,176,107	2,427,526,924
GBP	33,455	3,180,039	22,651	1,809,442
CHF	160,428	10,827,621	198,885	11,458,871
JPY	48,442,176	27,776,555	72,889,034	41,897,093
SGD	126,644	6,195,434	99,498	4,354,023
CNY	8,922	69,210	36,859	278,687
NOK	23,234	179,831	-	-

42 Related party transactions

As required by Accounting Standard 18 - 'Related Party Disclosures' notified under the Companies Act, 1956, since the consolidated financial statements presents information about the parent and its subsidiary as a single reporting enterprise, it is not necessary to disclose intra-group transactions.

In accordance with the requirements of Accounting Standard - 18 'Related Party Disclosures' the names of the related party where control/ ability to exercise significant influence exists, along with the aggregate amount of transactions and year end balances with them as identified and certified by the management are given below:

(a) Names of related parties

Name of the company	Nature of relationship	% of holding
Global Data Media FZ LLC	Associate	49%
Moser Baer Infrastructure Limited	Associate	26%
Solar Value Proizvodjna d.d.	Associate	40%
Moser Baer Trust	Trust	-

Enterprises over which key management personnel exercise significant influence

Moser Baer Engineering and Construction Limited
Sapphire Industrial Infrastructure Private Limited
Moser Baer Energy & Development Limited
Moser Baer Clean Energy Limited

Key management personnel

Chairman and managing director	Mr. Deepak Puri
Whole time director	Mrs. Nita Puri
Executive director	Mr. Ratul Puri*

(*Resigned in previous year)

(b) Details of transactions with the related parties along with period/ year end balances in the ordinary course of business:

(Figures in brackets are for previous year)

Particulars	Associates	Key management personnel	Moser Baer Trust	Enterprises over which key management personnel exercise significant influence	Total
Sales of finished goods/ services					
Moser Baer Engineering and Construction Limited	-	-	-	-	-
	(-)	(-)	(-)	(141,573,600)	(141,573,600)
Purchase of trading goods from related party					
Moser Baer Engineering and Construction Limited	-	-	-	-	
	(-)	(-)	(-)	(4,713,420)	
Sapphire Industrial Infrastructure Private Limited	-	-	-	-	-
	(-)	(-)	(-)	(2,727,961)	(7,441,381)
Service rendered to related party					
Moser Baer Engineering and Construction Limited	-	-	-	47,781,090	47,781,090
	(-)	(-)	(-)	(66,268,515)	(66,268,515)
Expenses incurred/ payment made by the company on behalf of related party					
Moser Baer Engineering and Construction Limited	-	-	-	-	-
	(-)	(-)	(-)	(321,307)	(321,307)
Reimbursement/ recovery of expenses/ services					
Moser Baer Engineering and Construction Limited	-	-	-	36,595,597	36,595,597
	(-)	(-)	(-)	(53,661,854)	(53,661,854)
Provision of diminution of long-term investment					
Global Data Media FZ LLC	30,438,813	-	-	-	30,438,813
	(-)	(-)	(-)	(-)	(-)
Lease rent charged to related party					
Moser Baer Engineering and Construction Limited	-	-	-	4,728,780	4,728,780
	(-)	(-)	(-)	(6,305,040)	(6,305,040)
Issue of equity shares					
Deepak Puri	-	300,000,000	-	-	300,000,000
	(-)	(-)	(-)	(-)	(-)
Issue of preference shares by subsidiary					
Deepak Puri	-	-	-	(-)	-
	(-)	(10,000,000)	(-)	(10,000,000)	(-)
Directors remuneration					
Deepak Puri	-	25,185,077	-	-	
	(-)	(4,800,000)	(-)	(-)	
Nita Puri	-	3,187,503	-	-	28,372,580
	(-)	(4,250,000)	(-)	(-)	(9,050,000)
Outstanding receivables					
In respect of sales of goods or services rendered					
Global Data Media FZ LLC	110,494,136	-	-	-	
	(237,588,923)	(-)	(-)	(-)	

Particulars	Associates	Key management personnel	Moser Baer Trust	Enterprises over which key management personnel exercise significant influence	Total
Moser Baer Clean Energy Limited	-	-	-	-	
	(-)	(-)	(-)	(67,275)	
Moser Baer Engineering and Construction Limited	-	-	-	929,687,509	1,040,181,645
	(-)	(-)	(-)	(944,340,709)	(1,181,996,907)
In respect of loans & advances					
Moser Baer Engineering and Construction Limited	-	-	-	-	-
	(-)	(-)	(-)	(35,974,260)	(35,974,260)
In respect of managerial remuneration					
Deepak Puri	-	966	-	-	
	(-)	(16,081,627)	(-)	(-)	
Ratul Puri	-	1,147,902	-	-	1,148,868
	(-)	(1,147,902)	(-)	(-)	(17,229,529)
Outstanding payables					
In respect of purchase of goods					
Sapphire Industrial Infrastructure Private Limited	-	-	-	4,397,434	
	(-)	(-)	(-)	(4,397,434)	
Moser Baer Energy & Development Limited	-	-	-	39,477,368	43,874,802
	(-)	(-)	(-)	(39,477,368)	(43,874,802)
In respect of advance received from customer	-	-	9,927	-	9,927
	(-)	(-)	(9,927)	(-)	(9,927)
In respect of security deposit received for lease					
Moser Baer Engineering and Construction Limited	-	-	-	12,000,000	12,000,000
	(-)	(-)	(-)	(12,000,000)	(12,000,000)
In respect of managerial remuneration					
Nita Puri	-	414,182	-	-	414,182
	(-)	(450,432)	(-)	(-)	(450,432)

43 Loss per share

Particulars	Period ended December 31, 2013	Year ended March 31, 2013
(a) Weighted average number of equity shares for basic and diluted earning per share	185,578,831	168,306,104
(b) Net loss after tax available for equity shareholders	(6,955,644,158)	(9,162,320,008)
Loss per share (face value per share Rs. 10 each)		
- Basic	(37.48)	(54.44)
- Diluted	(37.48)	(54.44)

(c) The impact on the loss of the Group for the period ended December 31, 2013 and the basic and diluted earnings per share had the Group followed the fair value method of accounting for stock options is set out below:

Particulars	Period ended December 31, 2013	Year ended March 31, 2013
Loss after tax as per statement of profit and loss (a)	(6,955,644,158)	(9,162,320,008)
Less: (Reversal)/ charge of employee stock compensation expenses as per fair value method*	(50,648,215)	11,581,915
Loss after tax recomputed for recognition of employee stock compensation Expenses under fair value method (b)	**(6,904,995,943)**	**(9,173,901,923)**
Loss per share based on earnings as per (a) above:		
- Basic	(37.48)	(54.44)
- Diluted	(37.48)	(54.44)
Loss per share based on earnings as per (b) above:		
- Basic	(37.21)	(54.51)
- Diluted	(37.21)	(54.51)

*Fair values used for above computations have been calculated by taking into account the weighted average vesting period of the options.

(d) (i) Moser Baer Employees Stock Option Plan (ESOP) 2004, Director's Stock Option Plan (DSOP) 2005 and Moser Baer India Limited Stock Option Plan 2009*

* No options granted during the period.

44 Segmental information

Identification of segments

Primary segments

The Group has considered business segments as the primary segment for disclosure according to the nature of the products sold, with each segment representing a strategic business unit. The Group has accordingly identified two primary business segments, i.e. 'storage media products' (compact discs, magnetic discs and other storage media products), 'solar products' (photovoltaic cells, modules and thin films) and 'other operations'.

Secondary segments

The activities of the Group are also geographically spread over the Indian territories and exports to other countries, primarily in Europe and USA.

The accounting principles consistently used in preparation of the financial statements are also consistently applied to record income and expenditure for individual segments. These are stated in the note on significant accounting policies.

Unallocated items

Certain expenses such as depreciation (other than depreciation on plant and machinery) and corporate expenses, which form a significant component of total expenses, are not specifically allocable to specific segments as the underlying services are used interchangeably. The Group believes that it is not practical to provide segment disclosure relating to those costs and expenses and accordingly these expenses are separately disclosed as "unallocated" and directly charged against total income.

Fixed assets used in the Group's business and liabilities accounted for, which are not directly associated to any reportable segment are separately disclosed as 'unallocated'.

(a) Information about primary business segments

Financial information about business segments for the nine months period ended December 31, 2013 is as follows:

Particulars	Storage media products	Solar products	Other operations	Inter segment eliminations	Total
Revenue:					
External	8,567,678,644	2,258,626,641	616,688,740	-	11,442,994,025
Inter-segment	1,256,938,561	357,759,820	401,551,867	(2,016,250,248)	-
Total revenue	9,824,617,205	2,616,386,461	1,018,240,607	(2,016,250,248)	11,442,994,025
Result:					
Segment results(1,697,051,445)	(2,016,229,567)	(174,404,515)	-	(3,887,685,527)	
Interest expense (net of interest income)					3,128,747,704
Unallocated corporate expenses (net of other income)					(13,254,910)
Loss before tax and exceptional items					(7,003,178,321)
Exceptional items					47,656,587
Loss before tax					(6,955,521,734)
Provision for taxation					122,424
Loss after tax					(6,955,644,158)
Share in loss of associates					-
Net loss for the period					(6,955,644,158)
Other information:					
Segment assets 18,106,113,427	18,563,825,802	9,876,162,232	(15,060,321,848)	31,485,779,613	
Unallocated corporate assets					2,981,523,087
Total assets					34,467,302,700
Segment liabilities	4,202,774,872	4,782,765,542	8,191,519,410	(15,051,423,170)	2,125,636,654
Unallocated corporate liabilities					48,915,752,393
Total liabilities					51,041,389,047
Capital expenditure	4,596,392	323,062,922	5,580,876	-	333,240,190
Unallocated capital expenditure					5,480,535
Total capital expenditure					338,720,725
Depreciation, amortisation and impairment	1,469,985,630	2,076,843,620	242,763,006	(45,790,186)	3,743,802,070
Unallocated depreciation, amortisation and impairment					85,751,929
Total depreciation, amortisation and impairment					3,829,553,999

Financial information about business segments for the year ended March 31, 2013 is as follows:

Particulars	Storage media products	Solar products	Other operations	Inter segment eliminations	Total
Revenue:					
External	13,430,833,285	2,211,502,315	1,153,056,880	-	16,795,392,480
Inter-segment	1,975,579,868	503,789,538	1,042,007,757	(3,521,377,163)	-
Total revenue	15,406,413,153	2,715,291,853	2,195,064,637	(3,521,377,163)	16,795,392,480
Result:					
Segment results	(2,731,754,072)	(1,817,327,570)	40,117,742	-	(4,508,963,900)
Interest expense (net of interest income)					3,870,460,402
Unallocated corporate expenses (net of other income)					422,529,924
Loss before tax & exceptional items					(8,801,954,226)
Exceptional items					(360,134,268)
Loss before tax					(9,162,088,494)
Provision for taxation					231,514
Loss after tax					(9,162,320,008)
Share in loss of associates					-

Particulars	Storage media products	Solar products	Other operations	Inter segment eliminations	Total
Net loss for the year					(9,162,320,008)
Other information:					
Segment assets	20,717,893,652	20,086,774,807	10,329,283,105	(14,572,462,015)	36,561,489,549
Unallocated corporate assets					3,056,205,370
Total assets					39,617,694,919
Segment liabilities	4,614,312,782	4,552,382,231	10,285,992,269	(14,630,950,471)	4,821,736,811
Unallocated corporate liabilities					43,820,039,259
Total liabilities					48,641,776,070
Capital expenditure	126,424,920	153,723,528	173,029,475	-	453,177,923
Unallocated capital expenditure					-
Total capital expenditure					453,177,923
Depreciation, amortisation and impairment	2,823,701,269	981,166,607	357,965,569	(83,569,403)	4,079,264,042
Unallocated depreciation, amortisation and impairment					7,569,181
Total depreciation, amortisation and impairment					4,086,833,223

(b) Information about secondary geographical segments:

Sales revenue by geographical market	Period ended December 31, 2013	Year ended March 31, 2013
India	4,316,165,663	6,582,120,900
Outside India	7,126,828,362	10,276,276,620
Total	11,442,994,025	16,858,397,520

Assets and additions to tangible and intangible fixed assets by geographical area	Addition to fixed assets and intangible assets		Carrying amount of segment assets	
	Period ended December 31, 2013	Year ended March 31, 2013	Period ended December 31, 2013	Year ended March 31, 2013
India	335,792,277	452,866,260	33,145,390,479	37,269,172,487
Outside India	2,928,448	311,663	1,321,912,221	2,348,522,432
Total segment assets	338,720,725	453,177,923	34,467,302,700	39,617,694,919

45 Employees' benefits

The group has classified the various benefits provided to employees as under:

(I) Defined contribution plans

During the period, the group has recognised the following amounts in the statement of profit and loss:

Particulars	Period ended December 31, 2013	Year ended March 31, 2013
(i) Employers' contribution to provident fund *	44,962,583	65,190,163
(ii) State Plans		
Employers' Contribution to Employee's State Insurance Act, 1948 *	3,883,098	11,413,088
Employers' Contribution to Employee's Pension Plan, 1995 *	34,458,097	28,015,363

* Included in Contribution to Provident and Other Funds under employee benefit expenses

(II) Defined benefit plans and other long-term employee benefits

a) Contribution to gratuity - Life Insurance Corporation of India

b) Compensated absences

c) Pension scheme for overseas subsidiaries

(i) In accordance with Accounting Standard 15 (revised 2005) - 'Employee Benefits' (AS - 15), actuarial valuation was done in respect of the aforesaid defined benefit plans based on the following assumptions:

Particulars	Compensated absences (unfunded)		Employee's gratuity fund	
	Period ended December 31, 2013	Year ended March 31, 2013	Period ended December 31, 2013	Year ended March 31, 2013
Discount rate (per annum)	8.95%	8.00%	8.95%	8.00%
Rate of increase in compensation levels	10.00%	10.00%	10.00%	10.00%
Rate of return on plan assets	-	-	9.40%	9.40%
Expected average remaining working lives of employees (years)	4.96	7.43	4.96	7.43

Particulars	Pension fund	
	Period ended December 31, 2013	Year ended March 31, 2013
Discount rate (per annum)	-	3.40%
Rate of increase in compensation levels	-	2.50%
Rate of return on plan assets	-	3.40%
Expected average remaining working lives of employees (years)	-	14.00

(ii) Changes in the present value of defined benefit obligation

Particulars	Compensated absences (unfunded)		Employee's gratuity fund	
	Period ended December 31, 2013	Year ended March 31, 2013	Period ended December 31, 2013	Year ended March 31, 2013
Present value of obligation at the beginning of the period/ year	95,739,990	100,107,719	296,034,011	265,190,318
Interest cost	6,095,718	9,447,111	17,976,883	22,438,098
Current service cost	11,844,676	18,361,863	23,472,500	29,017,559
Benefits paid/ transferred	(13,030,252)	(16,181,241)	(42,507,360)	(50,514,622)
Equitable interest transferred	(528,832)	-	(3,353,062)	-
Acquisition/ business combination/ divestiture	-	-	(18,762)	-
Actuarial (gain)/ loss on obligations	(7,822,378)	(15,995,462)	(15,245,435)	29,902,658
Present value of obligation at the end of the period/ year	**92,298,922**	**95,739,990**	**276,358,775**	**296,034,011**

Changes in the present value of defined benefit obligation

Particulars	Pension fund	
	Period ended December 31, 2013	Year ended March 31, 2013
Present value of obligation at the beginning of the period/ year	359,232,112	261,168,050
Interest cost	-	13,656,075
Current service cost	16,807,177	15,546,916
Benefits paid	(376,039,289)	(700,312)
Actuarial loss on obligations	-	69,561,383
Present value of obligation at the end of the period/ year	**-**	**359,232,112**

(iii) Changes in the fair value of plan assets

Particulars	Employee's gratuity fund		Pension fund	
	Period ended December 31, 2013	Year ended March 31, 2013	Period ended December 31, 2013	Year ended March 31, 2013
Fair value of plan assets at the beginning of the period/ year	120,497,355	141,760,881	337,688,261	242,095,739
Expected return on plan assets	7,254,265	11,790,910	-	13,866,168
Actuarial losses	-	345,061	-	60,016,697
Contributions	12,871,824	(1,783,402)	-	26,401,744
Benefits paid	(43,872,152)	(31,616,095)	-	(700,312)
Additional charge/ acquisition/ business combination	(3,371,824)	-	-	(3,991,775)
Fair value of plan assets at the end of the period/ year	**93,379,468**	**120,497,355**	**337,688,261**	**337,688,261**

(iv) Expenses recognised in the statement of profit and loss

Particulars	Compensated absences (unfunded)	
	Period ended December 31, 2013	Year ended March 31, 2013
Current service cost	11,844,676	18,361,863
Past service cost	-	-
Interest cost	6,095,718	9,447,111
Expected return on plan assets	-	-
Additional charges	-	-
Net actuarial gain recognised	(7,822,378)	(15,995,462)
Effect of curtailments	-	-
Total expenses recognised in the statement of profit and loss*	**10,118,016**	**11,813,512**

Particulars	Gratuity (funded)	
	Period ended December 31, 2013	Year ended March 31, 2013
Current service cost	22,964,320	29,017,559
Past service cost	-	-
Interest cost	17,664,926	22,438,098
Expected return on plan assets	(7,089,842)	(11,790,910)
Additional charges	-	-
Net actuarial (gain)/ loss recognised	(15,245,435)	29,557,596
Effect of curtailments	-	-
Total expenses recognised in the statement of profit and loss**	**18,293,969**	**69,222,343**

* Included in personnel expenses

** Included in contribution to provident and other funds

Particulars	Pension fund	
	Period ended December 31, 2013	Year ended March 31, 2013
Current service cost	16,807,177	15,546,916
Past service cost	-	-
Interest cost	-	13,656,074
Expected return on plan assets	-	(13,866,168)
Additional charges	-	3,991,776
Net actuarial loss recognised	-	51,434,869
Effect of curtailments	-	-
Total expenses recognised in the statement of profit and loss	**16,807,177**	**70,763,467**

(v) The present value of the defined benefit obligation, the fair value of the plan assets and the surplus or deficit in the plan; and experience adjustments arising on the plan liabilities and the plan assets in respect of gratuity for 5 years is as follows:

Particulars	Employee's gratuity fund (funded)				
	Period ended December 31, 2013	Year ended March 31, 2013	Year ended March 31, 2012	Year ended March 31, 2011	Year ended March 31, 2010
Present value of defined benefit obligation	276,358,774	296,034,011	249,105,439	229,795,971	210,299,190
Fair value of plan assets	93,379,468	119,497,355	140,760,881	149,076,982	151,341,465
Deficit in the plan assets	(178,683,928)	(174,079,049)	(108,344,558)	(80,718,989)	(58,957,725)
Experience adjustments on plan liabilities	(6,543,053)	27,980,085	(16,291,944)	(270,416)	(194,530)

This is the seventh year of adoption of AS - 15 and accordingly five years figures have been disclosed as required by Para 120(n) of AS - 15.

In respect of the Employee's Gratuity Fund and Pension Fund administered by Life Insurance Corporation of India and Interpolis respectively, constitution of Plan Assets is not readily available.

The expected contribution on account of gratuity for the period ended December 31, 2013 can't be ascertained.

46 Impairment of assets

The management of Helios Photo Voltaic Limited (HVPL) (formerly known as Moser Baer Photo Voltaic Limited) and Moser Baer Solar Limited (MBSL) (both subsidiaries of the Company) had obtained business valuations as of December 31, 2013 by an independent valuer, using the discounted cash flows method with significant underlying assumptions, including external market conditions of solar market, successful implementation of CDR Scheme, competition, ability of new technology to perform, regulatory benefits.

Based on the business valuation, the management has concluded that no impairment to the carrying values of underlying fixed assets of HPVL aggregating to Rs. 2,917,651,429 needs to be recorded in the consolidated financial statements for the period ended December 31, 2013. In MBSL, an impairment of Rs. 1,138,760,000 to the carrying values of underlying fixed assets aggregating to Rs. 8,974,029,736 has been recorded in the consolidated financial statements for the period ended December 31, 2013.

47 Foreign currency convertible bonds

(a) Restructuring

The outstanding foreign currency convertible bonds (FCCBs) aggregating to principal value of USD 88,500,000 (equivalent to Rs 5,471,955,000) matured for redemption on June 21, 2012, which have since been claimed by the trustee of the bondholders. The Company has received approval from the Reserve Bank of India to extend the redemption date of bonds and is in discussions with the bondholders, through the Trustee, to re-structure the terms of these bonds. Pending acceptance by the bondholders and approval from the concerned regulatory authorities of the terms proposed by the Company, the financial obligations of the Company, other than premium on redemption, are presently not reasonably determinable, and hence have not been provided for. The petition under section 434 of the Companies Act, 1956, filed by the trustee on behalf of certain bondholders with the Hon'ble High Court of Delhi, which has since been admitted, and continues to be sub-judice.

(b) The utilisation of the balance proceeds of zero coupon foreign currency convertible bonds is as under:

Particulars	Period ended December 31, 2013		Year ended March 31, 2013	
	USD	INR *	USD	INR *
Funds available at the beginning of the period/ year	142,709	7,746,966	147,911	7,525,709
Bank charges	3,608	221,025	5,202	284,952
Unutilised issue proceeds #	**139,101**	**8,597,861**	**142,709**	**7,746,966**

Reinstated as at period/ year end rate

* Net of foreign exchange gain of Rs. 1,071,920 for the period ended December 31, 2013 and loss of Rs. 506,209 for the year ended March 31, 2013.

(c) Movement in provision for premium on redemption of foreign currency convertible bonds :

Particulars	Period ended December 31, 2013	Year ended March 31, 2013
Opening balance	2,399,718,659	1,793,150,173
Add: Provision for the period/ year	776,861,039	606,568,486
	3,176,579,698	**2,399,718,659**
Less: Amount disclosed as other current liabilities (refer note 14)	2,032,527,592	1,784,830,756
Balance in short-term provisions (refer note 15)	**1,144,052,106**	**614,887,903**

Premium payable on redemption of foreign currency convertible bonds accrued up to December 31, 2013 calculated on prorata basis Rs. 3,176,579,698 (previous year Rs. 2,399,718,659) has been fully provided for and charged to securities premium account. In the event that the conversion option is exercised by the holders of foreign currency convertible bonds in the future, the amount of premium charged to the securities premium account shall be written back to the securities premium account.

48 Pursuant to the notification issued by The Ministry of Corporate Affairs dated May 11, 2011 read with the notification issued on March 31, 2009, the MBIL has chosen to avail the option to accumulate exchange difference arising on long-term foreign currency monetary items in the "Foreign Currency Monetary Item Translation Difference Account". Amount remaining to be amortised in this account is as under:

Particulars	Period ended December 31, 2013	Year ended March 31, 2013
Amortisation charged to statement of profit and loss	-	515,366,123

49 During the year 2010-11, Moser Baer Solar Limited had made an application under "Special Incentive Package Plan (SIPS)" issued by the Ministry of Communication and Information Technology to encourage investments for setting up semiconductor fabrication and other micro and nano technology manufacturing industries in India. Two subsidiaries in solar segment namely - Moser Baer Solar Limited and Helios Photo Voltaic Limited (formerly known as Moser Baer Photo Voltaic Limited) may be eligible for grant of financial incentives equivalent to 20% of the eligible current and future capital expenditure as and when approved by the Ministry.

50 Disclosures pursuant to Accounting Standard (AS) 7 "Construction Contracts"

Particulars	Period ended December 31, 2013	Year ended March 31, 2013
Contract revenue recognised during the period/ year	347,317,518	52,380,865
Aggregate amount of contract costs incurred for all contracts in progress at the period/ year end	319,693,886	57,863,867
Recognised profits (less recognised losses) for all contracts in progress at the period/ year end	27,623,631	(8,241,563)
Amount of advances received for contracts in progress at the period/ year end	5,118,560	-
Amount of retentions for contracts in progress at the period/ year end	88,824,259	-

51 Disclosure relating to dues outstanding to micro, small and medium enterprises as defined in Micro, Small and Medium Enterprises Act, 2006

Particulars	Period ended December 31, 2013	Year ended March 31, 2013
(a) Amount remaining unpaid to micro, small and medium enterprises at the end of period/ year		
Principal amount	72,777,339	70,811,218
Interest thereon	38,287,822	27,919,827
Total	111,065,161	98,731,045
(b) Amount of payments made to micro, small and medium enterprises beyond the appointed date during the period/ year		
Principal amount	180,969,764	198,245,821
Interest actually paid u/s 16 of the Act.	-	-
Total	180,969,764	198,245,821
(c) Interest accrued (including interest u/s 16 of the Act) and remaining unpaid at the end of the period/ year		
Interest accrued during the period/ year	10,367,997	5,985,575
Interest remaining unpaid during the period/ year	38,287,824	27,919,827

52 Going concern

The Group has incurred loss of Rs. 6,955,644,158 (previous year loss Rs. 9,162,320,008) during the nine months period ended December 31, 2013, which along with the accumulated losses as of December 31, 2013 has completely eroded its net worth as on December 31, 2013.

The Company's corporate debt restructuring scheme to re-structure the borrowings from secured lenders has already been approved and the management is confident of re-structuring the FCCB obligation as described in note 47(a), in the terms proposed by the Company. Further, CDR of two of its significant subsidiaries in the solar business has also been approved and these subsidiaries has plans to implement new technology which will inter-alia further increase the efficiency of the solar panels produced. Management is also hopeful that favourable market conditions and government regulations will help in strengthening the operations of these subsidiaries. The management of Moser Baer Entertainment Limited is also in the process of implementing new business plans to improve its operational performance significantly.

Pending the outcome of aforementioned discussions with the bondholders and the related litigation, successful implementation of corporate debt restructuring in terms as proposed by the entities, favourable market conditions in solar business, government regulations, ability of new technology to perform, successful implementation of business plans, which are materially uncertain, the financial statements of the Group have been prepared on going concern basis.

53 The Company changed its financial year from March 31 to December 31 and consequently, current financial year consist of nine months period from April 1, 2013 to December 31, 2013. Accordingly, current financial year figures are not comparable with those of the previous year.

54 One subsidiary company was earlier known as 'Moser Baer Photo Voltaic Limited'. Its name has been changed to 'Helios Photo Voltaic Limited' on February 21, 2014 and a fresh certificate of Incorporation Consequent upon Change of Name was issued by Registrar of Companies, National Capital Territory of Delhi and Haryana.

55 Corresponding figures for the previous year have been regrouped / rearranged, wherever necessary to conform to current period classification.

For **Walker, Chandiok & Co**
Chartered Accountants

per **Ashish Gupta**
Partner

Place: New Delhi
Date: 28 February 2014

For and on behalf of the board of directors of
MOSER BAER INDIA LIMITED

Deepak Puri
Chairman and
Managing Director

Nita Puri
Director

Yogesh Mathur
Group CFO

Minni Katariya
Head Legal and
Company Secretary

MOSER BAER INDIA LIMITED

FINANCIAL DETAILS OF THE SUBSIDIARY COMPANIES

(All amounts in rupees, unless otherwise stated)

Name of the Subsidiary Company	Capital	Reserves (including balance in profit and loss account)	Total assets	Total liabilities	Investments (except in case of investment in subsidiary)*	Turnover (including other income)	Profit / (loss) before taxation	Provision for taxation	Profit / (loss) after taxation	Proposed dividend
Helios Photo Voltaic Limited (formerly known as Moser Baer Photo Voltaic Limited	8,903,330,900	(10,218,515,686)	10,191,720,862	11,506,905,649	-	1,327,048,855	(414,740,090)	-	(414,740,090)	-
Moser Baer Solar Limited	9,754,504,040	(9,025,686,140)	19,641,119,205	18,912,301,305	-	3,142,852,966	(3,247,614,025)	-	(3,247,614,025)	-
Moser Baer SEZ Developer Limited	105,000,000	673,656,054	779,187,802	531,748	-	346,875	281,754	-	281,754	-
Moser Baer Entertainment Limited	662,700,000	(1,910,026,754)	870,654,424	2,117,981,179	-	1,321,128,658	(374,803,893)	-	(374,803,893)	-
Moser Baer Laboratories Limited	500,000	(207,264)	366,636	73,900	-	-	(14,350)	-	(14,350)	-
Solar Research Limited	74,250,000	661,771,007	736,125,425	104,418	-	-	(166,691)	-	(166,691)	-
Moser Baer Investments Limited	645,146,600	(9,258,291)	635,909,530	21,221	-	-	(260,200)	-	(260,200)	-
Photovoltaic Holdings Limited, Isle of Man	1,141,360,033	(13,474,265)	1,135,655,543	7,769,775	-	-	(569,755)	-	(569,755)	-
MB Solar Holdings Limited	6,676,504,172	(493,017,415)	6,294,992,213	111,505,456	-	30,829	(11,634,087)	-	(11,634,087)	-
Advoferm Limited, Cyprus	989,552	(445,475,475)	741,818,793	1,186,304,716	1,382	26,970,476	(565,902,133)	-	(565,902,133)	-
Peraround Limited, Cyprus	171,784,239	191,927,926	1,689,700,561	1,325,988,397	1,320,264	218,013,457	183,203,756	-	183,203,756	-
Perafly Limited, Cyprus	710,942,096	(720,901,127)	14,492,057	24,451,089	-		(1,931,715)	-	(1,931,715)	-
Nicofly Limited, Cyprus	515,838	(8,855,384)	13,245	8,352,791	-	-	(2,300,463)	-	(2,300,463)	-
Perasoft Limited, Cyprus	623,574	(8,961,407)	19,940	8,357,773	-	-	(2,320,717)	-	(2,320,717)	-
Dalecrest Limited, Cyprus	519,707	(8,835,879)	21,495	8,337,667	-	-	(2,303,484)	-	(2,303,484)	-
Crownglobe Limited, Cyprus	467,594	(6,290,096)	1,281,883	7,104,385	-	-	(1,774,991)	-	(1,774,991)	-
Admire Energy Solutions Private Limited	100,000	(270,017)	9,690	179,707	-	-	(31,603)	-	(31,603)	-
Moser Baer Solar Systems Private Limited	255,000	30,654,116	50,915,741	20,006,625	-	4,467,186	1,631,824	238,363	1,393,461	-
Competent Solar Energy Private Limited	100,000	(1,118,313)	66,380	1,084,693	-	-	(31,705)	-	(31,705)	-
Pride Solar Systems Private Limited	100,000	(281,540)	13,336	194,876	-	-	(31,603)	-	(31,603)	-
Value Solar Energy Private Limited	100,000	(291,511,897)	165,576,469	456,988,366	-	-	(26,630,153)	-	(26,630,153)	-
Tifton Limited	16,173,750	(19,184,899)	716,767	3,727,916	628,341	-	(819,482)	-	(819,482)	-
OM&T B.V., Netherlands	1,002,083	(379,893,000)	259,358,144	-	-	629,315	(5,511,400)	-	(5,511,400)	-
Cubic Technologies B.V. ,Netherlands	1,214,280	(254,347,777)	210,672,228	463,805,724	-	10,358,823	(291,878,259)	(139,668)	(291,738,591)	-
European Optic Media Technology GmbH, Germany	111,263,750	(46,157,649)	74,898,474	9,792,373	-	17,858,825	10,388,395	-	10,388,395	-
Omega Optical Media Technologies, Slovakia	447,852	82,476	546,451	16,123	-	91,505	91,505	-	91,505	-
Moser Baer Infrastructure and Developers Limited	110,000,000	(128,020,354)	216,050,777	234,071,131	-	-	(29,239,278)	-	(29,239,278)	-
Moser Baer Technologies, Inc. , USA	592,962,368	(589,260,341)	89,000,822	85,298,795	-	43,961,771	(102,863,409)		(102,863,409)	-
Moser Baer Photovoltaic Inc. , USA	2,320,186	(769,040)	759,614	(791,532)	-	39,802,488	36,121,718	-	36,121,718	-

MOSER BAER INDIA LIMITED

FINANCIAL DETAILS OF THE SUBSIDIARY COMPANIES

(All amounts in rupees, unless otherwise stated)

Name of the Subsidiary Company	Particulars of Investments	Nature of Investment	Amount in Rs.
Peraround Limited	KMG Digital Limited	Class A Ordinary Shares	1,320,264
Tifton Limited	Skyline Solar Inc.	Shares Series A Preferred Stock	628,344
Advoferm Limited	Bensimon Limited	Equity Shares	1,382

Notes:

In terms of general exemption granted vide General Circular No. 2/2011 dated Feb 8, 2011 issued by Ministry of Corporate Affairs, Government of India under Section 212(8) of the Companies Act, 1956, a copies of the Balance Sheet, Statement of profit and loss account, Report of the Board of Directors' and the Report of the Auditors' of the subsidiary Companies have not been attached with Annual Report of the Company. The Company hereby undertakes that annual accounts of the subsidiary companies and the related detailed information shall be made available to shareholders of the holding and subsidiary companies seeking such information at any point of time. The annual accounts of the subsidiary companies shall also be kept for inspection by any shareholder in the Head Office of the Company located at 43B, Okhla Industrial Estate, Phase III, New Delhi-110020, and of the Subsidiary Companies concerned.

The company shall furnish a hard copy of details of accounts of subsidiaries to any shareholder on demand.

For and on behalf of board of directors of

MOSER BAER INDIA LIMITED

Date: February 28, 2014
Place: New Delhi

Chairman and Managing Director
Deepak Puri

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